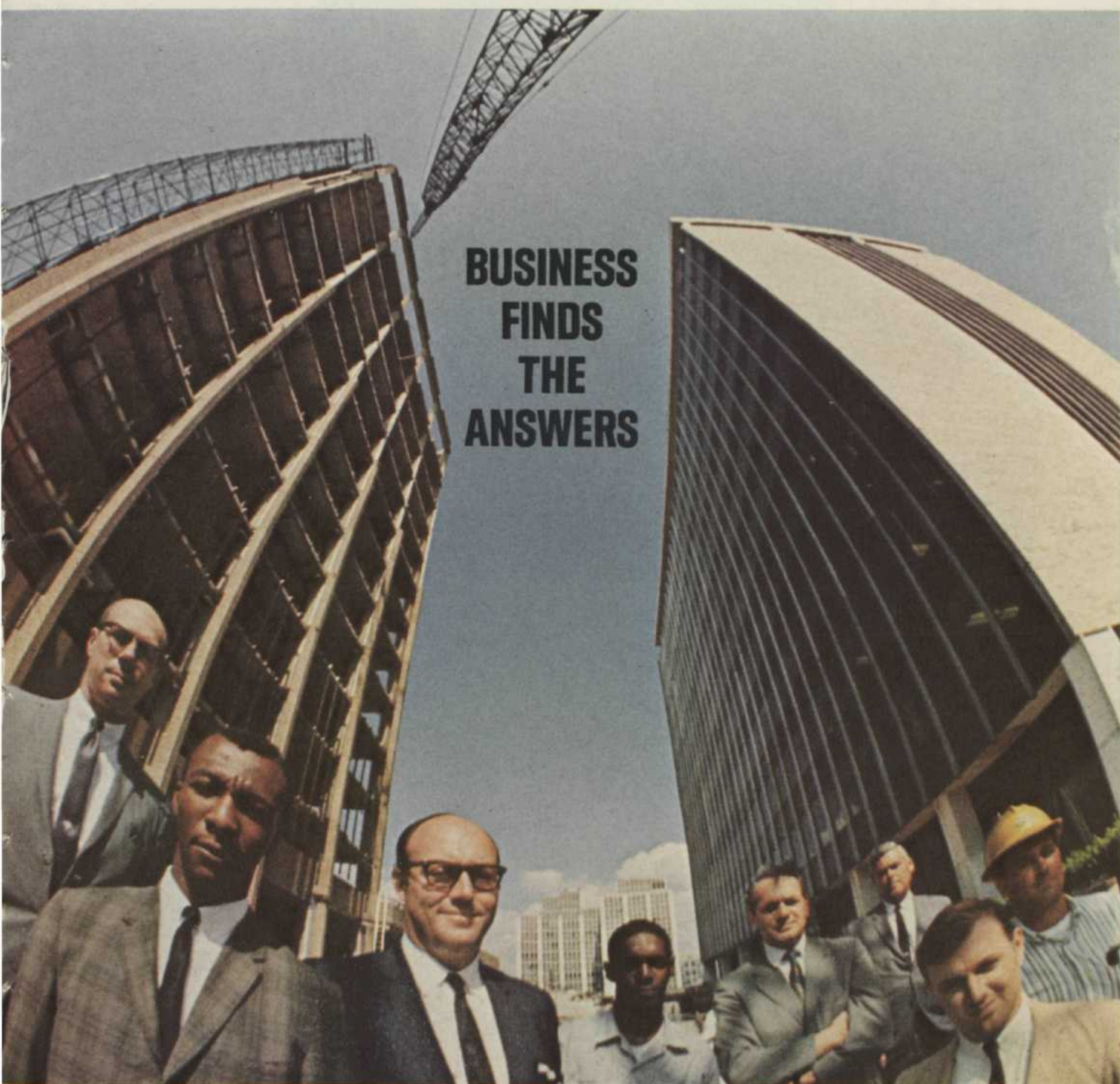


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Nation's Business

August 1968 Vol. 56 No. 8

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Washington, D.C.

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Editor
Jack Wooldridge

Managing Editor
Tait Trussell

Associate Editors
Jeffrey S. O'Neill
Walter Wingo
John Costello
Vernon Louviere
Sterling G. Slappey
Wilbur Martin
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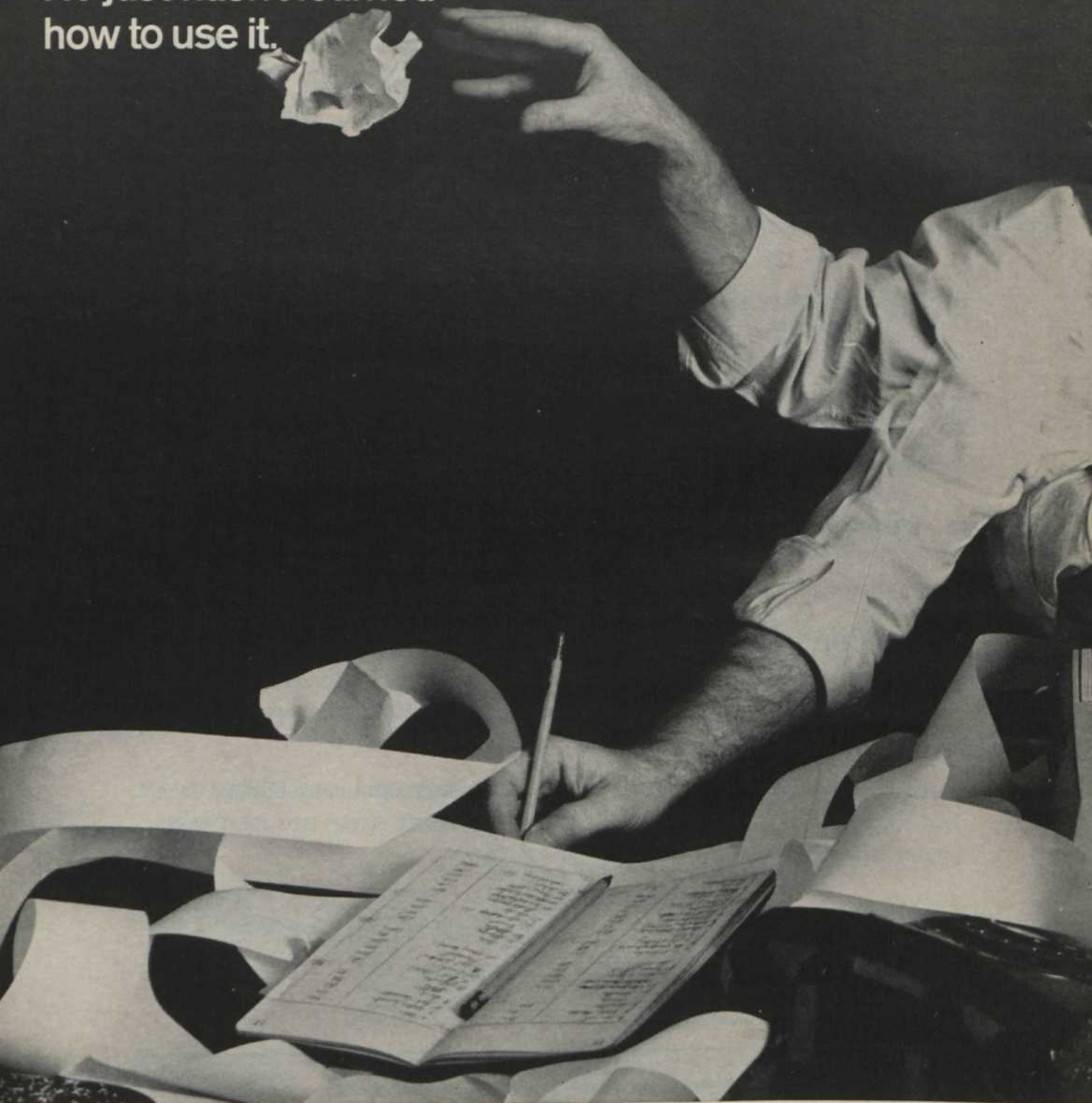
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Peter Lisagor
Alden H. Sypher

Art Director
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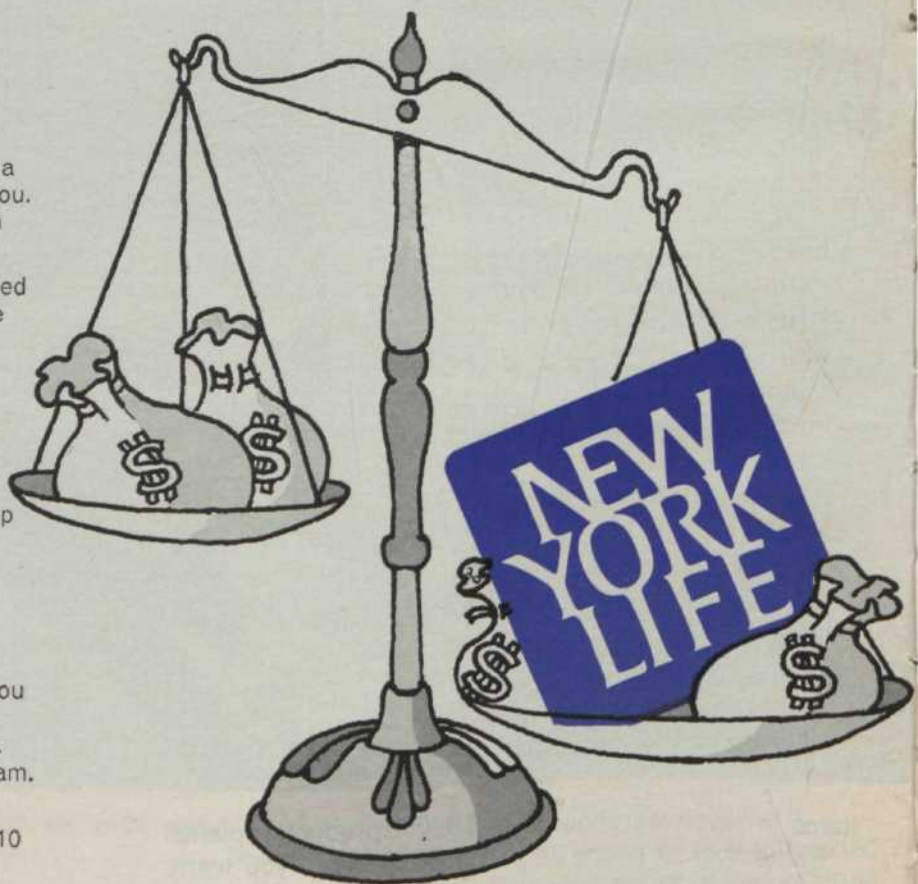
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WASHINGTON: A LOOK AHEAD

Should people have to work for a living?

Or should you chip in to support those who won't work as well as those who can't work?

Two strong American instincts are now on collision course on the nation's political byways. This coming clash matches the ingrained Yankee work ethic against the equally natural American humanitarian compulsion to help one's fellowman.

The "guaranteed income" is shaping up as tomorrow's key domestic issue. The basic idea is that tax money should be used to make sure every American has some minimum support whether or not he's willing or able to work for a living.

If an income maintenance law is passed it will be the biggest step in welfare since social security became law a third of a century ago.

New strategies now taking shape could bring early action. But an ironic circumstance could let the whole idea die on the political vine.

Today's welfare system is as obsolete as the hoop skirt.

Relief covers only about a third of the poor.

Its costliness and inefficiency are bombarded with criticism from Left and Right.

America's poor are now down to about 26 million, a drop of about three million in just the past couple of years. But, oddly, as the poor get less populous they seem to get more vocal.

From the Administration's much fumbled War on Poverty to this summer's overpublicized farce that posed as the Poor Peoples Campaign in Washington, the nation has been made well aware of the poor.

The President's Riot Commission recommended a guaranteed income for the poor.

A Congressional unit held weeks of hearings on the idea of income maintenance earlier this

summer. And a system of guaranteed income has been called for by some leaders in business, labor and politics.

President Johnson named a commission on income maintenance to study for two years "every plan, however unconventional, which could promise a constructive advance in meeting the income needs of all the American people."

Members include such well-known business executives as Donald Burnham, Westinghouse president; Thomas Watson Jr., IBM chairman; James Aston, chairman, Republic National Bank of Dallas; Ben Heineman, chairman, Chicago & Northwestern Railway.

Rep. William Ryan of New York, author of legislation for a guaranteed income, says, "No idea in recent times has moved from the wilderness of theoretical speculation into the arena of serious policy discussion with the rapidity of the guaranteed income concept."

Opponents argue the income concept is a scheme to pay people not to work and would result in a massive redistribution of wealth in America.

Proponents insist a guaranteed income could have a built-in incentive to work, whereas the present welfare system penalizes earnings through a proportionate loss of relief benefits.

The Ryan bill would pay the poor a poverty stipend, and benefits would be cut by only \$1 for every additional \$2 the poor person earned.

Cost of guaranteed income for Americans ranges from \$4 billion to \$60 billion depending on how it would work.

One of the major hurdles in the path of guaranteed income is the profusion of plans. Nobody can agree on what's best or what would work.

Here are the most talked of alternatives.

WASHINGTON: A LOOK AHEAD

Staffers on the Commission on Income Maintenance Programs class them in five groups:

- **Negative income tax.** A family would fill out a tax return, and if their income was below a certain line, the government would subsidize the family up to that amount. Some versions of the plan would pay the family something even as earnings went up, so as not to discourage work.
- **Children's allowance.** This would provide a federal payment for each child in a family. A reverse twist of this would pay a \$500 bonus to a woman each year she didn't have a child.
- **Guaranteed jobs.** The notion here is that Uncle Sam would be employer of last resort. Or Washington could pay part of wages so an unskilled worker could be hired at, say, 50 cents an hour by a private employer.
- **Public assistance reform.** One proposal is to set a uniform national standard. Under Aid to Families with Dependent Children, a family of four gets \$241 a month in New York, only about \$35 in Mississippi. Another proposal is to let persons go on relief merely by signing an affidavit that they're poor. The thought is that a later random check of eligibility could be less costly than case-by-case investigations.
- **Expand social security.** Some believe you could add to the social security rolls many poor not now covered.

Any of these plans could be costly in tax revenues. But income maintenance could be even more costly in future inflation and deterioration of the dollar. If we get a floor under income, all wage and salaries would be forced upward, pushing up costs of doing business and necessitating higher prices.

While attention is now focused on wiping out dependency in America with job training and jobs for the hard-core unemployed, the income maintenance scheme could destroy work incentives, in the opinion of more than a few people.

Many think, for example, that a guaranteed income could lead some families to move to a

less expensive land and live rather high on the hog at American taxpayer expense.

What's bringing the issue of guaranteed income to a head now involves several factors:

Despite today's rock bottom unemployment, three times as many families get dependent children payments as 15 years ago. AFDC rolls shot up 14 per cent last year.

Militant poor are becoming more demanding and more violent.

Government studies show more evidence of need. For example, one third of the nonaged poor families are headed by men who work full time but still can't earn above the government's poverty line—now about \$3,400 a year.

A new strategy to build support for guaranteed income is beginning to be voiced. It contends that a vast system of income maintenance already exists for the not-so-poor.

Some academicians and social theorists are arguing income security is provided for millions of Americans now through workmen's compensation, collective bargaining, tax loopholes, farm price support programs, pension and retirement programs for executives.

These critics call it "welfare-for-the-rich," and a "hidden income maintenance for the middle class."

They argue it's a "misplaced moralism" that rejects guaranteed incomes.

Ironically, one of the biggest handicaps of the guaranteed income idea is the lack of a selling label. Welfare programs of the past have won their way partly on euphemism.

Guaranteed incomes for anyone will win Congressional support only with much wider public support.

Undoubtedly drastic changes are in the works to help the really poor who can't work. But it will take most people a long time to scrap their belief the public should not support loafers, that no man is useless and that one of mankind's noblest satisfactions is his productive contribution to society.



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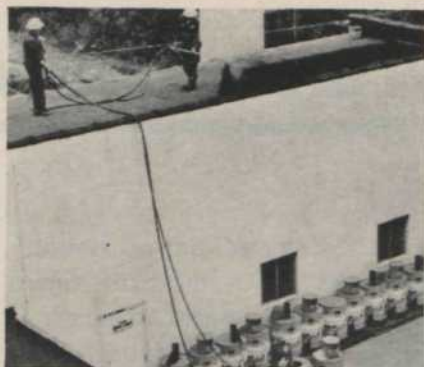
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Business opinion:

Medicare and costly government

To the Editor:

Your issue for June contains an editorial, "Why Costly Government," that criticizes my actuarial cost estimates for the medicare program, which was passed in 1965. I should like to tidy up the record on this matter.

The two cost estimates for 1970 cited in the editorial were projected expenditures for services to "insured" persons for hospital care proposed in two different bills. One bill was introduced in 1963, while the other bill was introduced in 1965, passed the same year, and is now referred to as medicare.

The 1970 cost estimates for these two bills (\$1.3 billion estimated in 1963 for the 1963 bill and \$4.1 billion estimated in 1967 for the medicare bill of 1965) are not comparable. There are two reasons. First, the services called for in the two bills were sufficiently different to result in different costs. Second, and more important, the 1963 estimate assumed only slightly rising hospital costs, whereas the 1967 estimate assumed a substantial rise in hospital costs for several years and continually rising costs thereafter.

Such different assumptions were wholly legitimate and were fully understood by the House Ways and Means Committee and the Senate Finance Committee. The purpose of the 1963 estimate was to project the expenditures in relation to the

social security taxable payroll, and thus to arrive at a tax rate which could finance such expenditures.

This involved an assumption of no rise in pay levels—an assumption I always use for the cost estimates for the cash benefit program, for which purposes it is quite conservative. The purpose of the 1967 estimate was to determine whether the medicare tax receipts would be sufficient to cover the now-anticipated service benefit costs.

Had your editorial been concerned with comparing "likes"—apples with apples, rather than apples with oranges—you would have used my 1965 and 1967 estimates for the cost of medicare in 1970. Such comparison would have shown \$2.9 billion and \$4.1 billion, respectively. Or to put it in the language of the editorial—my 1965 estimate was 30 per cent too low as compared with the 1967 estimate.

No cost estimate could be 300 per cent too low, as your editorial writer states—and as I am confident you must realize. That is a mathematical impossibility. But that statement doubtless served as a "shocking eye-catcher" for your editorial.

ROBERT J. MYERS
Chief Actuary
Social Security Administration
Washington, D.C.

To the Editor:

Your editorial, "Why Costly Gov-

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PETE PROGRESS

Speaking for the local chamber of commerce in your community

Business opinion:

ernment?" [June], in which you point out that social security underestimated the cost of medicare by 300 per cent is all too true. However, as unsettling as the underestimated cost might be, the most disturbing aspect of the reality of the true cost of the medicare program is the reaction in many federal circles.

We are now told that there was nothing wrong with the original budget estimate but that the health industry, that is, the hospitals, the physicians and the allied medical personnel are gouging the government and the taxpayer by increased fees. This has led to the inevitable witch hunt in which the panacea of federal controls, regulations and a supervising bureaucracy to protect the public have all been dragged out in neat array.

The real culprits are, in my estimation, first the unrealistically low projection, and second, the basis for payment which has been brought forth by the Social Security Administration.

The medicare payment formula to institutions is based upon a "cost plus" formula. The definition of cost is very complex and in a sense inadequate. Nevertheless, because of the fact that the federal government is such a major purchaser of hospital and medical services, the cost-plus incentive in a basically "nonprofit" industry is such that all management incentive for cost control is beginning to lose effect. Rather than holding the line on wages, cost of medical supplies, food, etc., hospital administrators can take the easy way out and continually allow costs to rise knowing full well that under the medicare formula they will be met by the government. This is especially true in the case of wages and salaries.

I would predict that in the next few years the private business-operated, tax-paying hospital will emerge a major force in the institutional health-care field, thereby pointing out once again that the profit incentive leads to efficiency (lower costs) and quality (high standards of hospital care).

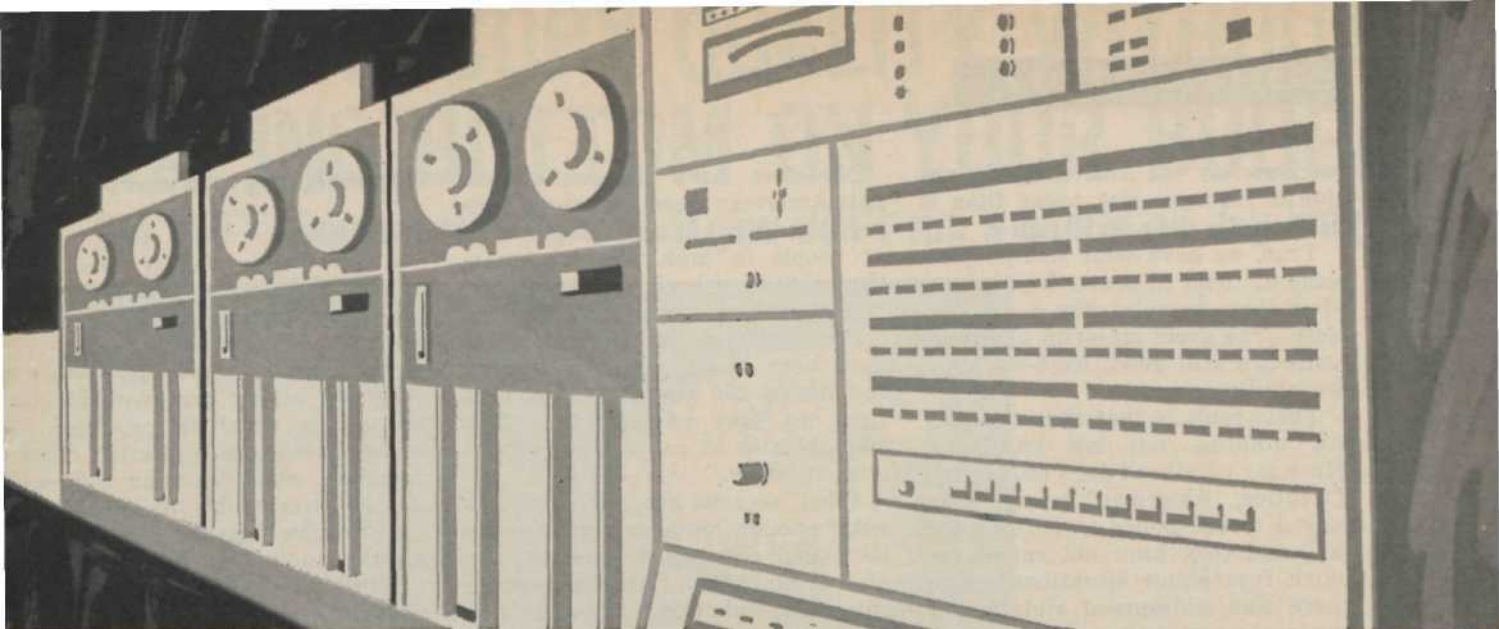
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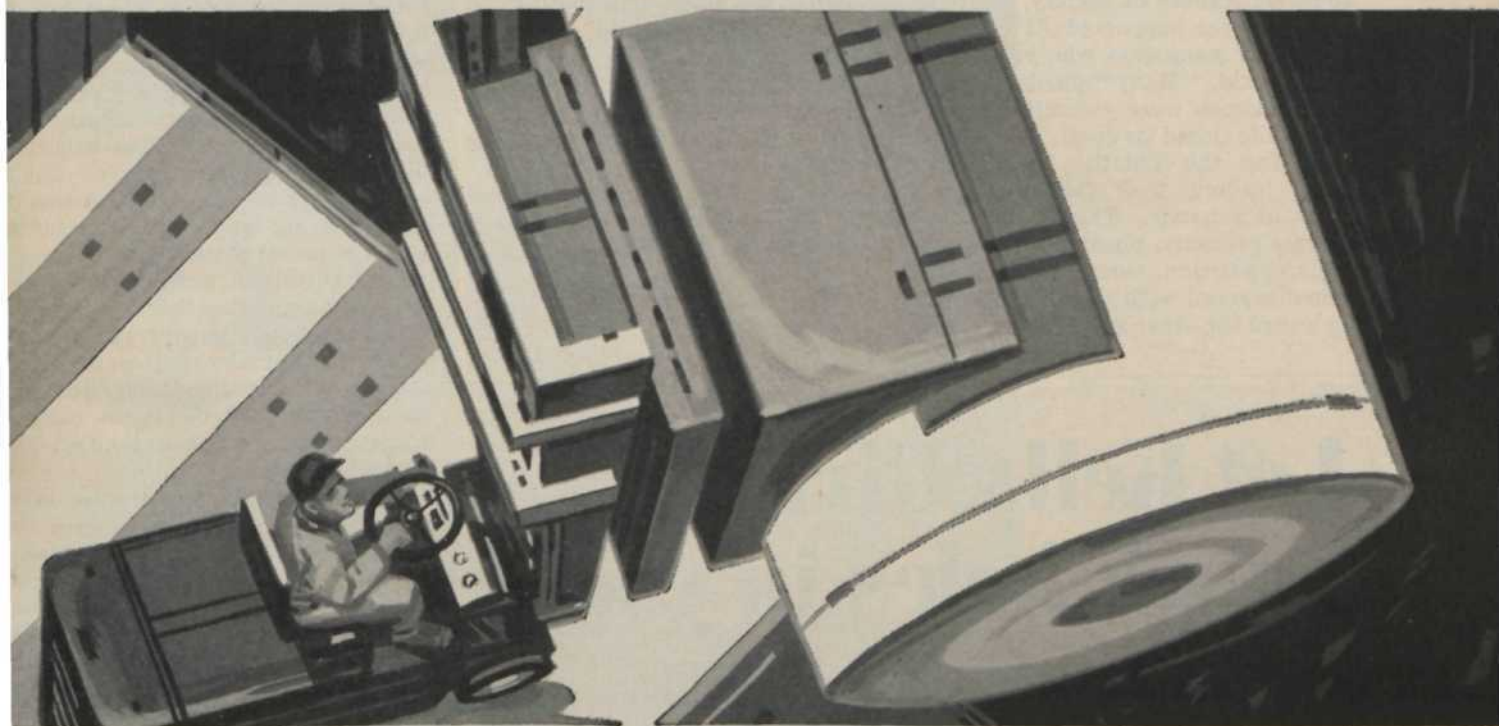
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To the Editor:

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"sick society" in America. Our nation is no more sick today than it has been for the past 50 years.

True, we have some sick people—some of them in pretty high places—but they do not make a sick society. The great majority of Americans are still good, hard-working, law-abiding people.

Their fault is that they are only law abiding, not law enforcing. Since my childhood days during the Twenties, American people have looked to the police to enforce the law, and they have not raised too much fuss about situations where there was widespread violation of the law by certain minorities.

During the Prohibition era, many so-called leaders of society, politics and business supported Al Capone and other gangsters who ruled the underworld. Many murders and other crimes were committed—and the public closed its eyes.

During the Thirties, organized labor leaders took the law into their own hands. They took over private property, physically beat up their opposition, even killed people who disagreed with them. The public looked the other way.

Now we have demonstrations, anti-American meetings, riots, looting, burning, killing, assassination of people in high places. Again, the public largely closes its eyes.

All the talk about new laws to control violence is hogwash! We have been operating as a country for almost 200 years. During that time we have passed more than enough laws to cover any conceivable situation.

What we need are public officials with enough guts to enforce the laws—and only we the people can elect them. When the police want a raise, they talk about how they risk their lives to protect our lives and property. But when the riots are on—with burning and looting in full swing—they stand by with folded arms.

Yet who can blame them, when their bosses go out of their way to coddle minorities, no matter how lawless they are?

Once we were a nation "found under God." Now we deny God a place of leadership in our country.

R. B. RUSSELL
President
Corliss Welding & Machine Co.
Pittsburgh, Pa.

Capitalizing on war?

To the Editor:

I have only recently read your article "When the War Ends: A World of Opportunities" [February].

The author waxes enthusiastic over the highly remunerative opportunities which he predicts will become available to United States investors when the war comes to an end—presumably an end favorable to the investing of foreign capital in southeast Asia.

While it is no crime for even an editorial writer to suffer occasional lapses in his clairvoyant or prophetic powers, and thus may not have foreseen that the combination of the Tet offensive in Viet Nam and the growing pressure for peace at home was to depose a President and bring about peace talks, it is still perhaps merciful that he is in this writing anonymous.

It is hard to conceive how Lenin himself could have by design fashioned a more scathing indictment of the capitalistic system than your writer has put together by chance. In his first four paragraphs he observes that accelerated commercial activity almost inevitably follows upon a war, but disclaims rather unconvincingly any casual effect between the two.

In the psychiatric trades this would probably be known as a guilt reaction, a seeking to absolve oneself of complicity in a bloody business for personal gain.

We engage in wars not solely because of external pressures, such as Nazi inhumanities in Europe or a Japanese attack on Pearl Harbor, but also because of internal needs—important among them the need for economic expansion.

An expanding economy seeks raw materials and markets for its goods and services, and exerts many and subtle and powerful pressures on its own structure so that, in the case at hand, its errand boy—the military—shall make it possible to satisfy these needs. That this occurs, almost always obscured by pretensions of necessity or honor or virtuous purpose, at an enormous cost in human death and misery, has been a recurrent story in the history of the world. Here, the people of NATION'S BUSINESS are contributing their part in this pressure toward war.

ROBERT E. MCCANN
Hillsborough, Calif.

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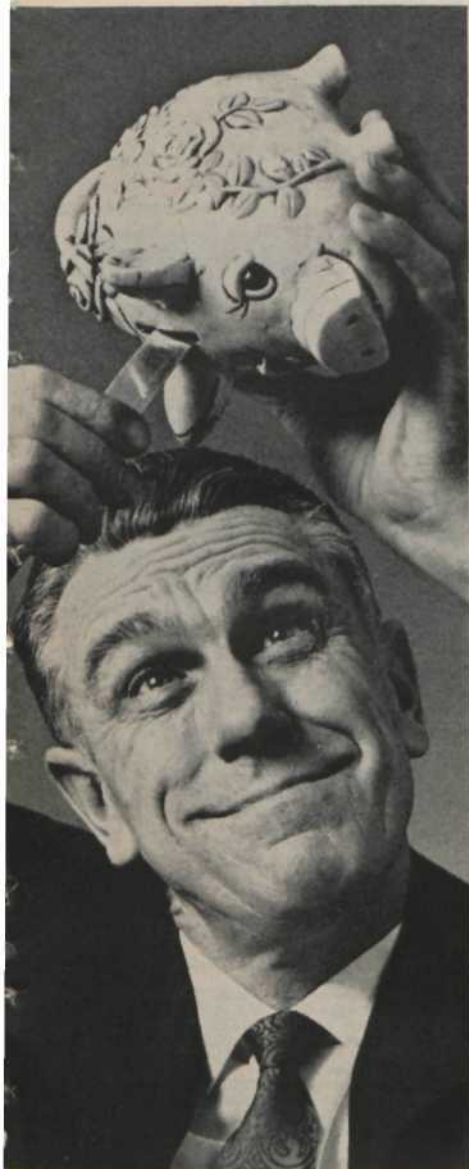


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3M BUSINESS
PRODUCTS
CENTERS

Executive Trends

- If rioting erupts
- New wrinkle in warranties
- In the \$18,000 bracket

If rioting erupts

Merchants in many cities have learned there's at least one preventive measure they can take to save property loss in riots.

Businesses in several locations have installed plywood shields for their store windows. Most large downtown department stores used large prefabricated panels bolted to a 2" x 2" or 2" x 4" frame.

Some merchants spiked the panels right to the masonry.

"Rioting in Baltimore last spring might have died out in 15 minutes," a member of the American Plywood Association's Washington field staff says, "if all merchants had taken that simple precaution."

"Plywood is cross-laminated and has great strength in both directions. It will stop a kick or a blow. Even a rock or a Molotov cocktail should bounce off it."

Where did merchants get the idea?

Many have used plywood panels before to replace windows broken by accident. Others were clued in by a pamphlet, "When the Wind Blows," available from the association, Tacoma, Wash. 98401.

They call a spade a spade

What do a Whirlpool washer and a Corning cooker have in common?

Answer: A warranty you can understand.

Both firms have dropped "whereas," "notwithstanding" and other legal jargon from their guarantees.

Instead, they simply promise to replace or repair defective products.

The guarantee hasn't changed—just the language, they emphasize.

The reaction? "Great," both firms say.

"Our warranty used to be a legal-looking document that we put inside a washer.

"Now we display it prominently—and use it as a selling tool," a Whirlpool spokesman says.

Industry salesmen's earnings mount

Full-time apparel salesmen now earn an average \$18,300 a year.

That's the word from the American Apparel Manufacturers Association, Inc.

Average yearly earnings for manufacturers' salesmen in other key industries are:

INDUSTRY	EARNINGS
Containers	\$13,109
Furniture	\$15,839
Machinery	\$14,163
Metals	\$13,246
Printing-publishing	\$15,872
Textiles	\$14,994

These statistics come from the Sales Manpower Foundation, New York. SMF unearthed them in a series of in-depth studies of industry selling costs. They're all vintage 1967, or later. Earnings include commission and bonuses, if any, as well as salesman's salary.

"Of course, earnings of top salesmen are a lot higher than the average in every industry," Henry K. Astwood, foundation director, says. "And inflation, plus higher bidding



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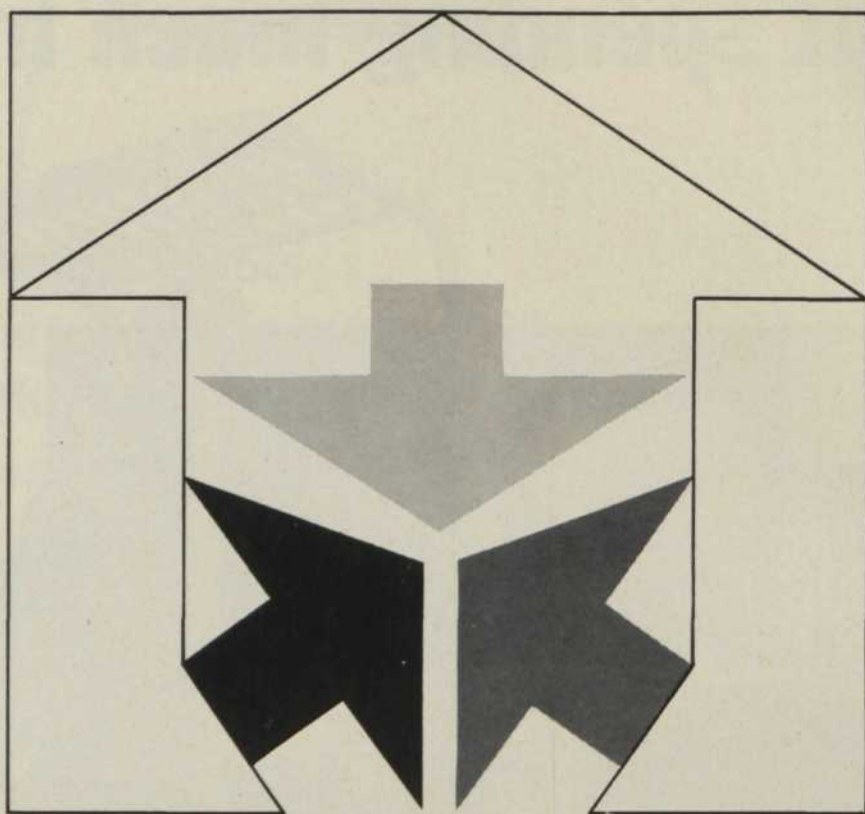
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for scarce sales talent, continues to run the average up."

Sartorial note —executive suite

Hang on to that necktie, if you want. But it will date you, one authority warns.

"The necktie is not dead," says John Taylor, editor of that British arbiter of male elegance, *Tailor and Cutter*. "But it is sick. Men over 35 will continue to wear neckties the remainder of their days in the executive suite.

"But young men won't.

"They're turning to turtle-necks, especially during the winter."

Also in—"bespoke," meaning tailor-made, Saville Row suits. At \$300 to \$600 a copy, they're selling well to U. S. executives, Saville Row sources report.

The best boss— tough or soft?

Who makes the best boss—a tough guy, or a softie? Neither, Kimberly-Clark Corp. discovers.

It asked employees who their best boss was and why. They listed more than 50 qualities a good boss has. But the most important were these:

- He never blows his top, and doesn't bawl you out before others.
- He treats everyone as an individual, and is fair.
- He listens when you come in to talk—and he commands respect.

The worst kind? Those who don't know how to communicate, and lack enthusiasm for their job, Kimberly-Clark people said.

Plan to leave a big estate?

Your first \$60,000, of course, is exempt from U. S. estate taxes.

Then Uncle Sam allows you a 50 per cent deduction for property left to your wife. It's a tax break, but you can bungle it.

Like the New Yorker who had his brother-in-law, no expert, draft his will. He wanted everything to go to his wife—or to his children, if she died first. So brother-in-law put this in the will:

Everything is left to my wife unless she dies before me or "before said residuary estate shall have been distributed."

The U. S. tax court, nit-picking the language, said the property left to his wife wasn't tax free.

"Distributing" the estate, the tax

court argued, may take months or years. Hence, his wife had only a "terminable interest" in the estate. And that doesn't qualify it for the 50 per cent marital deduction.

Uncle Sam billed the estate for \$93,000 in taxes. Later, the decision was reversed on appeal. But only after a long, costly legal battle.

There's a moral, Keystone Co. of Boston Special Counsel Francis M. Simon says. Namely: Get an expert to draft your will.

What that company car costs

What does it cost your company to own and operate a Chevy II in Chicago?

Or a Fairlane in Fort Smith?

How about an eight cylinder Ambassador in Atlanta—or a Newport in New York?

The answers, in order: \$2.46 a day to own, 2.7 cents a mile to operate; \$2.57 and 3.4 cents; \$2.98 and 4.0 cents; \$3.24 and 4.1 cents.

Costs vary widely by make, model and area, Runzheimer & Co., Inc., the compiler, comments.

Many factors enter in, too. For example, Philadelphia collision

insurance rates are high. About \$170 a year for a normal, \$100 deductible business policy. In Miami, the same policy costs about \$50.

In Louisiana, the state license tax for residents is \$6.00; in Massachusetts, it's about \$150.

The last time Runzheimer, automobile fleet management specialists, computed these costs was 1966. Since then, operating costs crept up 3.0 per cent, ownership, 11 per cent.

Late bloomers who did well

Don't despair—if you're 40, or 50, and still not head of the firm.

Many a guy made it big when his pals thought he was through. BFS Psychological Associates, New York consulting firm, cites a few:

Plato, at 50, was still a student.

Bacon didn't hit his stride as a writer until he was 60.

Phillips Brooks, the gifted British poet, was going strong at 70.

Konrad Adenauer, Chancellor of West Germany, was 73 when he won the post, 87 when he quit it. And business leaders like Ray Kroc (McDonald's Corp.) and W. Clement Stone (Combined Insurance Company of America) became multimillionaires after 50.

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Putting you first keeps us first.

When victors are uneasy and the vanquished full of bile

BY PETER LISAGOR

Will Rogers called it "the Fourth of July of American politics." H. L. Mencken, in a florid outburst, said "a national convention is as fascinating as a revival or a hanging. It is vulgar, ugly, stupid, and tedious, to be sure, and yet there suddenly comes a show so gaudy and hilarious, so melodramatic and obscene, so unimaginably exhilarating and preposterous that one lives a gorgeous year in an hour."

To Political Scientist Clinton Rossiter, it "is little better than a happy, disorderly conclave of state and local bosses." Ralph G. Martin, author of the book, "Ballots and Bandwagons," said "it is the excitement of a political World Series . . . of seeing a sword of uncertainty hanging over a glorified national town meeting, mixed with a sense of circus and a huge tremor of hope and history."

William Jennings Bryan, who was nominated three times by the Democrats, called it "a photograph of the nation. All the great forces that exert a potential influence in our country are here in person or by proxy." And one faulty prophet said years ago: "It is a relic. It cannot survive the radio. As an institution, it is already as dead as a chicken, flopping around after its head is cut off."

These judgments of the way the two major parties nominate their Presidential candidates were rendered, of course, before television brought their sound and fury into the living room and imposed upon the delegates a certain decorous restraint in behavior. In recent times, the conventions have been streamlined and, after a fashion, turned over to the choreographers and scenic designers. The style of oratory is less magisterial, and men with stopwatches lurk near the speakers in a valiant but often futile effort to pace the proceedings for the benefit of prime-time viewers across the nation.

But the changes have been largely superficial, and the convention spectacle remains one that beguiles the foreigner and confuses many Americans. They still

Mr. Lisagor is the White House correspondent for The Chicago Daily News.



Some say they're vulgar, but political conventions are a unique and fascinating American institution.

generate a drama in which noise is often a substitute for excitement, and the demonstrations have all the spontaneity of a church hymn.

This is especially true of the cut-and-dried conventions. In 1964, Lyndon B. Johnson's nomination by the Democrats at Atlantic City was foreordained, and to maintain even a modicum of suspense, the President withheld his choice of a running mate, Hubert H. Humphrey, as long as possible. An otherwise dull convention was given a lift in a poignant moment when tribute was paid to the late John F. Kennedy, and ironically, the man who responded to that tribute, with a tear in his eye, Robert F. Kennedy, may be remembered with a similar one in Chicago this year.

The Republican ritual in San Francisco was also spun out according to a tidy script that called for the nomination of Sen. Barry M. Goldwater. It was enlivened by an impromptu drama involving party moderates, George Romney and Nelson Rockefeller, among others, who turned the Goldwater supporters into a snarling mass by their objections to the platform.

In this year's conventions, however, a contest of

TRENDS: WASHINGTON MOOD

sorts is promised in both parties, despite the fact that Vice President Humphrey for the Democrats and former Vice President Richard M. Nixon for the Republicans appear to be odds-on choices to win the big prize. The struggle for the second spot on both tickets also is likely to create considerable hoopla.

• • •

The national convention evolved out of political necessity and cannot be blamed on or credited to the framers of the Constitution, who hoped to make the choice of a President a nonpartisan affair. The growth of political parties made it necessary for each party to choose its nominee through a caucus of members of Congress. But "King Caucus" fell into disrepute because the popular will seemed thwarted by powerful cliques in Congress.

When the railroads made it possible for delegates to convene, the present system of nominating candidates began. Andrew Jackson was chosen at a Baltimore convention in 1832 for a second term, and the Democrats met every four years thereafter to name their man. The Republican Party in its present form held its first national convention in Philadelphia in 1856, and nominated John C. Fremont.

It was Franklin D. Roosevelt in 1932 who started the tradition of personally appearing before conventions to make the acceptance speech. Other changes and refinements have been made by both parties, but none so basic as to change the character of the institution.

The Republican convention in Miami Beach in early August will be attended by 1,333 delegates and an equal number of alternates, which means that the winning candidate will need 667 votes, or a simple majority. The Democrats in Chicago will have delegates numbering 5,611, including alternates and National Committee members, but only 2,622 eligible to vote for the nominee, who will need 1,312 votes.

Both parties apportion delegates on the basis of Congressional representation from each state, population and voting patterns in recent elections.

A restless, unsettled, variable mood in the nation this summer may compound the uncertainty of the August political extravaganzas. It may be that one can say afterwards about both conventions what Mencken wrote following Roosevelt's nomination in 1932:

"The great combat is ending this afternoon in the classical Democratic tradition. That is to say, the victors are full of uneasiness and the vanquished are full of bile."

A great many delegates are not practicing politicians but lawyers, businessmen, civic leaders and housewives. They are, in the main, beholden to party chieftains in their states or localities, and many are selected as delegates on a patronage basis. Their freedom of choice is thus limited, and they are not susceptible to individual persuasion, as many uninformed onlookers tend to believe.

So the object of the candidates' affections in the

preconvention search for delegate support is the political leader or boss. Professor Rossiter described the role of these men in this way:

"The many bosses have come, like the few national figures in the convention, with the common purpose of picking a winner, and they proceed toward this goal with perhaps more unity than one might expect of them. They proceed, in any case, under their own power and at their own speed, conscious to the end of how much more important they are to the party than the party is to them. When the convention is over, they return to their principalities secure in the knowledge that their own positions of power depend only peripherally, or not at all, on the results of the Presidential canvass."

By the time the convention formally opens, the various committees—resolutions (platform), rules, credentials and permanent organization—have done their work and are ready to submit it to assembled delegates for approval. In the recent past, the big fights have occurred over features of the platform and the credentials of the delegates.

The latter issue has produced some critical battles in the past—and may again this year. In 1952, the forces of Dwight D. Eisenhower challenged the credentials of 68 delegates from Texas, Georgia and Louisiana who were friendly to Ohio Sen. Robert A. Taft. The National Committee had certified the Taft delegates, but through a series of parliamentary maneuvers and arguments, the Eisenhower forces prevailed upon the convention to reverse that decision.

The Democrats had an inconsequential battle over the seating of an all-white delegation from Mississippi and Alabama in 1964, and the issue was resolved by a warning that future conventions must reflect party membership in the states, regardless of race, color, creed or national origin. The Democrats have had trouble with a loyalty oath because some Southern delegations have refused to commit themselves wholeheartedly in advance to the party's likely nominee.

The supporters of Sen. Eugene McCarthy for the Democratic nomination in Chicago this year have already signaled their intention to challenge the credentials of many pro-Humphrey delegates. It is also probable that the Democrats will have trouble drafting a platform plank relating to the war in Viet Nam, for McCarthy has constructed his campaign and appeal on his opposition to the war.

• • •

The history of conventions discourages conjecture about their outcome. For as author Martin has noted, "As much as anything . . . the fascination comes from the constant air of political unpredictability that hangs over a national convention. No matter how seemingly controlled a convention, no matter how certain a candidate's selection, there is always the feeling that an unexpected deal, a hot speech, a personal revelation, a newspaper headline, a thousand other things can convert a divided crowd of delegates into a single mood and a single mind, can create a bandwagon psychology that can overturn the tightest political clique."

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4. *Retail personnel turnover can be cut drastically.*

Why they seek the Presidency

BY FELIX MORLEY

A famous British author, Robert Louis Stevenson, once observed that general admiration is owing to anyone who writes a book. Whether it is good, bad or indifferent, said R.L.S., is a secondary matter. Whether the volume is accepted or rejected for publication is also incidental. What really counts is the courage, perseverance and endurance of the writer who has slowly sweated out a lengthy manuscript with hope, but no assurance, of eventual success.

One is reminded of this tribute to endeavor as our almost interminable Presidential campaign finally reaches the stage of nominating conventions. Without exception all of the active aspirants for delegate support deserve a measure of respect. Whether we like them personally or not is immaterial. Whether we think their viewpoints constructive or disastrous may for the moment be overlooked. At this stage they each and all deserve an "E" for Effort, if not for Excellence.

All of these aspirants have worked like Trojans to obtain consideration. Yet only one will be nominated at Miami and only one at Chicago. Moreover, even with a formidable independent candidate, when the dust settles there will only be one elected President. Yet all have been slaving for months at arduous political chores. If an unsuccessful novelist is worthy of good marks for assiduity then surely that is also the case for those who fail to make the steeper Presidential grade.

• • •

This conclusion is bolstered by the increasingly exacting nature of the Presidential office. Most of us, either to ourselves or in private converse, have admitted that this is one job we would not want. Nor is that just a matter of sour grapes. The average man knows that he would not and could not face the appalling complexities through which the occupant of the White House must continuously thread his way. So we cannot in decency withhold admira-

Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.



PHOTO: GEORGE TAMES

tion for those who demonstrate a willingness to assume this awful task.

Competition for the Presidency, moreover, is an ordeal beyond any which the politicians of other countries ever face. While our election procedures have been slowly inching forward, two other democracies—France and Canada—have disposed of the whole business virtually overnight. The Gaullists in France and the Liberals in Canada have been reaffirmed by the voters while our aspirants have been wearily jogging one lap of a marathon course. It takes a toll from candidates which in one dreadful case this year was all too literally killing.

What is it about the Presidency, one asks, that impels men to face the painful climb to that dizzy height, knowing in advance that, unlike an assault on Mount Everest, here only one can reach the peak? It is a baffling question to which no superficial answer is satisfactory.

The President of the United States today exercises power and, unquestionably, many men like power. So that alone might seem to explain why aspirants for the office are numerous, regardless of the sacrifices that must be made to obtain the prize.

But Presidential power, as is continuously demonstrated, is by no means unlimited. No President in our history has assumed that office with more self-confidence than was shown by Lyndon Johnson. Yet

TRENDS: STATE OF THE NATION

for all his accomplishments few have experienced more frustrations. Soaring crime and widespread disorders have made a mockery of the "Great Society" which he so hopefully envisaged. From every standpoint the Viet Nam war stands out as a major fiasco for the inconclusiveness of which this President must take a heavy measure of responsibility.

These and many other major problems will in all probability be left on the White House doorstep when President Johnson leaves. Their magnitude might well be regarded as a deterrent, yet actually seems to stimulate the desire to succeed him. All newcomers would sweep the broom from a somewhat different angle, yet all are equally eager to do the sweeping. It is not desire for power as such, but for power in behalf of varying ends, that is exhibited.

Moreover at least one of the aspirants—Senator McCarthy—convincingly maintains that he does not seek the office in order to wield personal power. He has sharply attacked President Johnson's injudicious use of the personal pronoun—"my Congress" and "my people." He has consistently deplored "the tendency to treat the Presidency of the United States as a personal office . . . rather than as the repository of the power of all the people."

Again it is immaterial, for the present consideration, whether, if given the opportunity, Senator McCarthy would actually subordinate himself to the office, rather than the other way round. The point is that at least one aspirant has found it good politics to emphasize an anxiety to serve rather than a competence to command.

• • •

So a personal lust for power, while it may be a factor, is certainly not the only incentive that makes men welcome the prospect of incessant difficulties and sleepless nights in the White House. And this becomes more evident if we turn to the huge number of contestants for lesser, though still onerous, public office.

In nearly all the 50 States and 435 Congressional districts there is now rivalry, for seats in Senate and House, quite as keen though of course more localized than in the case of the Presidency. Those elected to the Congress will collectively form a very effective check on the executive will, as recently demonstrated when Mr. Johnson was forced to accept unwelcome spending cuts as the price of his much desired tax increase. So we observe that there are many who seek elective office to curb Presidential power rather than to enlarge it. Few members of the House will ever exercise much individual authority there. But nearly all are willing to run themselves ragged in order to be elected.

Clearly there is some underlying reason, unconnected with selfish personal aggrandizement, behind this willingness to endure the rigors of campaigning. It is scarcely to be explained by the dubious delights of life in Washington, nor by monetary compensa-

tion which must be measured against heavy expenses. We see the same phenomenon in the countless contests for local office, among would-be mayors who must confront the staggering problems of our cities; among county councilmen whose wives will never get an invitation to an Embassy cocktail party. Yet always, most happily, there are aspirants for public service, at all levels, far in excess of the number needed to fill all elective posts.

Nor is this willingness to serve confined to those who seek political office. And here we note that few hold back because of the headaches to be confronted. Throughout the length and breadth of the nation men and women, even boys and girls, continuously respond whenever there is a call for desirable civic action. The governing bodies of our schools, hospitals, churches; of our business, social, fraternal and recreational associations—all are composed of people who willingly shoulder responsibilities for which there is no compulsion other than the individual desire to "help out."

Instead of receiving monetary compensation, most of those who participate in these activities also contribute substantially to their funds. Often there is no publicity but generally there is a heavy load of time-consuming and often disagreeable work. Yet almost always there are good citizens available to take up the task. Nor is this cooperative attitude confined to those in the prime of life. It is in their declining years, after honorable retirement, that many become most active in communal undertakings.

• • •

Thus we see the continuous availability of Presidential aspirants as an extrapolation of a cooperative instinct deep-rooted in our folkways. Most Americans are willing to put their competence to impersonal use, even though few any longer think it a natural transition to go from log cabin to White House. The disappearance of the former is not curtailing, in quantity or quality, the supply for the latter.

Of course nobody is "drafted" for the Presidency, as people often are for local responsibilities of every conceivable variety. But in both cases there are always those who are willing, if not anxious, to serve. And in both cases the major motive is not a desire for fame or fortune. Much more coercive is the conscientious feeling that when the road is muddy one should be willing to put a shoulder to the wheel.

Amid the glamor, and clamor, of a Presidential campaign it is timely to reflect on the great army of public servants who are not less that because they are not on any governmental payroll. There is no pomp and circumstance about their volunteer work. They ask for money, but never for themselves. And the publicity they get is often no more than a few lines in an obituary notice.

Yet on their sense of citizenship our whole system of representative government, in the final analysis, depends. We would have no acceptance speeches from Presidential nominees this month if we did not have less flowery acceptances every day, in every American community, from unsung citizens who practise what citizenship really means.

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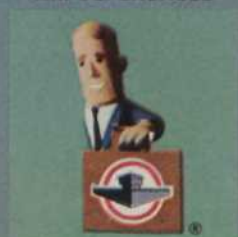
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AMERICA'S MOST USED PAPER PRODUCTS AWAY FROM HOME

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Now we know the secrets of happiness

BY ALDEN H. SYPHER

All things considered, how would you describe yourself these days? Would you say you are very happy, fairly happy, or not too happy?

In case you don't know, you're not alone. Lots of people don't know. But don't give up. You can find out. There's a way, but like the answer to the question: "How can you be so dumb?" it ain't easy.

It took a staff of 25 under the general supervision of Dr. Norman Matlin approximately four months of sampling to determine, by interview, the state of happiness in Puerto Rico.

There was a director of the staff, a general consultant, two statistical consultants, three statisticians, a field staff supervisor, nine interviewers, four coders, an administrative assistant, a secretary and a clerk.

• • •

One of their more difficult problems was method—how to find out if people are happy or unhappy. They decided to ask them. Thus the two questions above. But then came another problem: Do people know if they are happy?

"It is by no means sure that people know whether they are happy or not or that, even if they do, they are going to tell an interviewer about it," Dr. Matlin said in a 46-page report entitled, "The Demography of Happiness."

So other evidence was acquired; for example, a tendency of self reports of happiness to agree with evaluations made by other people.

Mr. Sypher, a lifelong journalist, is the former editor and publisher of NATION'S BUSINESS.

"Thus," the report reveals, "a sample of [114] out-patients diagnosed by psychologists as anxious or depressed—in simpler terms, unhappy—report themselves less happy than a random sample of the population." Another source of supporting evidence is a series of questions whose answers disclose a person's positive and negative feelings about himself, or herself. For example:

"Do you feel on top of the world?"

"Are you so restless that you couldn't sit long in a chair?"

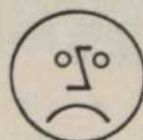
The more positive feelings you have relative to your negatives, the happier you are.

The positive and negative questions and many more were listed in a questionnaire, similar to one used earlier to check up on happiness in the United States, that brought out a lot of information related to happiness. When the answers had been coded, collated, consulted about and administered over, the scientists found that the rich are happier than the poor, the healthy happier than the ill, the young happier than the old, the educated more happy than the uneducated.

And while 18 per cent of married persons and 14 per cent of persons who never had married were very happy, or so they said; 22 per cent of separated persons rated themselves in the same highly happy way.

But if you combine the very happy with pretty happy the marrieds come up to 69 per cent, those separated to 62 per cent, and the divorced 58 per cent. But the percentage of those who never married at all, but are happy, jumps to 71.

But even such apparently arithmetical facts may



CHECK ONE

☐☐☐☐

TRENDS: RIGHT OR WRONG

be misleading. Take the matter of education, for example.

"Persons with more education tend to report themselves as happier," the curious scientists report—and in doing so reveal themselves to be practical men. "As we go up the educational scale, the proportion of people very happy increases from 11 per cent (third grade or less) to 22 per cent (college graduate). The proportion not too happy drops from 40 to 17 per cent.

"With increasing education, the proportion reporting a positive balance rises from 31 per cent to 55. The proportion reporting a negative balance falls from 42 per cent to 13.

"However, it would be a mistake to consider this relationship as simple or direct. However much we would like to envision persons of education as having become philosophically reconciled with their lot in life or having learned in their course of studies to pursue the good, the true and the beautiful, the facts are somewhat more prosaic.

"People with more education make more money or expect to make more money in the future. This is so partly because they start with more money, wealthier families giving their families more education, and partly because the possessors of diplomas in our society have easier access to well-paying jobs and opportunities."

To get on with your own happiness, or lack of it, here are the questions used to bring out positive feelings:

"Are you pleased about having accomplished something?"

"Are you proud because someone complimented you on something you had done?"

"Are you pleased that things are going your way?"

"Do you feel that you are on top of the world?"

"During this past week were you particularly excited or interested in something?"

And to bring out your negative feelings:

"Are you bored?"

"Do you feel vaguely uneasy about something?"

"Do you feel so restless you couldn't sit long in a chair?"

"Do you feel you could not do anything simply because you could not start it?"

"Are you depressed or very unhappy?"

"Do you feel very lonely or remote from other people?"

"Are you upset because someone criticized you?"

To give you a part scale for measuring your answers, 66 per cent of Puerto Rican men and 71 per cent of the women answered "yes" to the first question. In the United States the positive men totaled 77 per cent, and women 79.

However on the negative side only 25 per cent of the Puerto Rican men were bored, and 36 per cent of the women, while 34 per cent of the men questioned

in the States felt that way, and 41 per cent of the women.

There also are Q-Values for interrelationship of items from the positive and negative indices. But we'll not go into these scales here. It's highly improbable that you would understand them.

We'll also skip Table 11, which is titled "Happiness by Sex," and Table 12, "Affect-Balance Scale by Sex," and go directly to Table 13, "Happiness by Age."

Table 13 is very poorly titled. The plain, simple, dreary fact is that the older you are the less happy you are.

Table 13 lays it out in 10-year leaps, starting with 20 to 29 and going through 60 and over.

There's little change in the very happy column, but combine that with pretty happy and you find a constant drop from the young end to the old. The not too happy classification climbs steadily.

Health is one of the better predictors of happiness. Among those who report their health as excellent, 33 per cent find themselves very happy, while among those who consider their health poor, only eight per cent are very happy.

Very few, 13 per cent, of the people who rate their health excellent say they are not too happy. But 68 per cent of those in poor health are among the not too happy.

You haven't had all of it, but perhaps with these tests and measures you can determine your own state of happiness as accurately as you are willing, or as accurately as you are able with the consultation of experts.

Anyway, the scientists involved in this study admit that:

"The present study is frankly exploratory. It was designed to see whether the measurement of happiness was feasible in Puerto Rico and whether results would warrant larger scale investigations of the causes of happiness. The conclusion of the present report is quite definitely 'Yes.'"

• • •

It's doubtful that Rep. Robert H. Michel, Republican of Illinois, would agree with that conclusion.

For some reason "The Demography of Happiness" lay unheralded in United States Public Health Service files for nearly two years. No one seemed at all anxious to share the measurement of happiness, even with the public it measured.

Rep. Michel heard about it, found it and shared it. He also had some comment about it.

The study is part of a \$249,000 package of Public Health Service projects in Puerto Rico, he said.

"While this kind of study might be interesting to someone in the Public Health Service, it is questionable that during wartime the taxpayers should be called upon to support such a project," he added.

"This is an example of the kind of federal spending the taxpayers can do without."

Besides, Rep. Michel said, the government could have saved time and tax money simply by recalling the old adage:

"It is better to be rich and healthy than poor and sick."

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LIFE & CASUALTY

OUR CONCERN IS PEOPLE

THE FRANTIC FUTURE

Executive dearth,
computer forgery,
Delphi decisions,
evaporating freedoms,
ozone dangers,
scientific gypsies



Large U. S. companies may buy universities and operate them as their own basic sources of elite manpower.

To offset soaring medical costs and to increase hospital efficiency, big insurance companies may operate their own hospitals.

Professional life will become so demanding, complex and change so rapidly that businessmen will take catch-up courses throughout their entire careers.

More demand on local as well as federal government by every segment of society may skyrocket tax rates above any levels imagined today.

Large numbers of people will look on a nonproductive life as justified and on work as old-fashioned.

The government may decide where you will build your next factory.



These are just a few of the potential shocks and solutions to problems, bubbling to the surface in the next five, 10 and 15 years which businessmen will have to face.

To bring the future into clearer focus NATION'S BUSINESS sent an editor across the country to speak with farsighted businessmen, visit educators and spend weeks at such research and think centers as The Rand Corporation, TEMPO of General Electric Co., Illinois Institute of Technology, Brookings Institution, Stanford Research Institute, Research Institute of America, the Council on Trends and Perspectives of the Chamber of Commerce of the United States and General Learning Corp. and to talk to a cluster of government officials.

Here are some points forward-looking business people should consider:

Managers scarce

American business faces an acute shortage of managers.

In seven years the U. S. population will grow by 25 million, yet there will be one million fewer men between the ages of 35 and 55 which is the principal managerial age bracket. This will force business to bring up young and untested talent to higher positions sooner than it ordinarily would.

Compounding the problem will be changes that take place at a faster rate than they do today. Skills and knowledge will go out of date every few years unless refreshed with additional schooling, special courses, in-plant retraining, intensive reading as well as formal study carried on at a university during year long sabbaticals.

The day is passing when a mere 13-week refresher course at a university puts a company executive



back in mental shape for the second half of his career.

It is estimated at the present time that an engineering degree represents knowledge which becomes obsolete after 10 years. Changes are coming so fast the degree will soon be out of date after five years.

Computer pains

Four problems with computers promise to become serious within a few years.

First, what to do about "forgery by computer?"

Computers of the future will have to be kept in vault-like rooms or guarded by security officers so that only "cleared" people can get near them.

Otherwise, computers will stand as open invitations to dishonest programmers to create a new set of books, run off a batch of bad checks, put something in company files and records which should not be there, or take something out of the records which should be there.

Second, what about the problem of "managerial anxiety" over computers?

The most advanced companies already note this anxiety which is that some executives are apprehensive about the powers of computers and subconsciously resist their usage. They know the machine can per-

form some tasks better than they, so they disparage computers.

Third, what to do about certain types of information put into computerized information banks?

If a valued employee, when he was young, spent a night in jail, defaulted on a loan or was guilty of some other indiscretion, should that information remain in the computer records? Maybe the man has been an ideal citizen and excellent credit risk since then. Shouldn't that derogatory information be scrubbed after a few years?

Who's to decide? Who will have the power to wreck or make a valued employee's career?

Fourth, what about the tens of thousands of people who have been marked as uninsurable by computers for reasons of health, behavior or occupation?

This raises a question: If insurance companies won't cover these people, will the federal government step in? It well may.

Business tasks

Business of late is proving it is the unit of society with training, techniques, skilled manpower, equipment and intellect to solve many traditionally public problems and run programs efficiently and economically. Business-government quibbling will likely ease and business will take over these programs, using latest business methods and psychology.

"The worst thing business can do is what it is now doing," one psychologist-researcher says, "and that is to stand back, carping and complaining. Business is far and away best suited to do scores of the jobs that government is bumbling over."

Disposal fee

Problem of solid waste disposal

THE FRANTIC FUTURE *continued*

will increase in five years to the point that the original purchaser of an item may be saddled with the cost of disposing of it. One cent may be added to the cost of a can of beer to pay for picking up the empty can and taking it away.

Automobiles may cost \$100 more to pay an agency for hauling them out of sight and disassembling them.

This also provides a market for new disposal business.

Manhattan under water

Man creates new problems with each new machine he creates.

Forward thinkers say that in 10 years there will be the problem of an unnatural warming of the earth's atmosphere merely by the existence

millions of engines—pollute with ozone.

Finely tuned devices to judge ordinary air pollution are coming on the market very soon. As soon as they do, the federal government is expected to tighten its regulations and set air pollution standards that business, which invented the devices in the first place, will have to comply with.

Other new devices will judge odors and detect diseases, act as identification mechanisms just as fingerprints do today. This will create a new scientific world, and at the same time it will give government another involvement point with business.

Business has the problem of not

the realization by people in underdeveloped countries of how far behind they are, and what they are missing.

The challenge to business is to adapt quickly. This is a new world we live in. Unions, churches, associations, family groups and political groups all are in the throes of revolutionary change. So, too, is business.

Ill-fitting skills

Business, already finding jobs for hard-core, unemployed people, is also facing the challenge of what to do with another group of misfits caused by progress.

These are workers, often executives, who have loyalty, longevity but out-of-date skills. They are eager to work, but as time goes on they won't speak the new technical language; they won't know what the new machines do.

Community service

Companies are increasing by 10- and 20-fold their participation in social and community affairs.

In the future practically every medium to large company must face up to the problem of designating a vice president or some executive who will deal entirely with non-company socioeconomic matters.

Companies will come to be judged by their good community deeds as well as they are by how much profit they make.

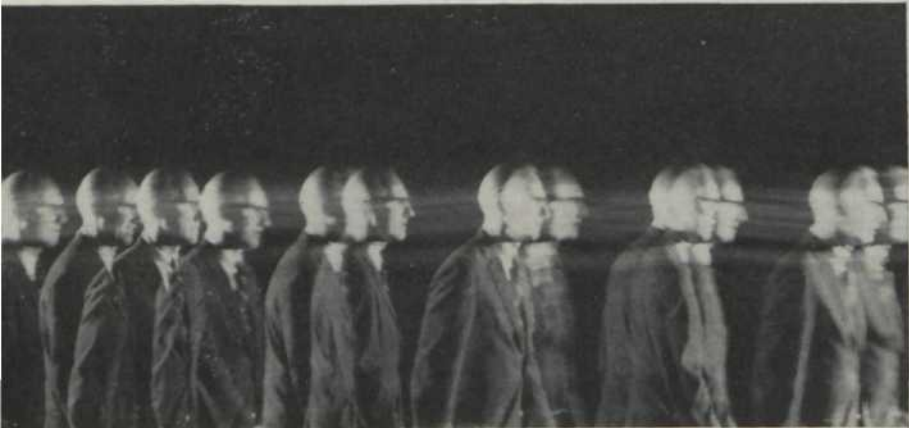
Forever taxes

The dark consensus is that federal income and business taxes may never again be reduced. The reason: Cost of government will go up and up.

In 10 years more money will be going for a wider range of programs from education to medical aid to income maintenance for the poor. A decade from now, projecting spending at the present rate, the federal budget could top \$380 billion, as compared to \$186 billion today.

Regulated plant sites

Americans, though fiercely independent, may well have to give up more of this freedom as the multitude of people thickens. Far-ahead thinkers say that by the time the United States has 400 million people, men may have to forgo determining on their own where they will live, where they will build plants,



of myriads of heat-belching machines.

An air-conditioner makes inside living pleasant, but it pours more heat outside as it cools air inside. "Will heat poured out by billions of air-conditioners and every other kind of friction machine you can think of, warm the atmosphere so much that ice caps will be affected?" one technician muses. "Even a slight melting would raise the ocean's level, change the contour of every nation that borders on an ocean and restructure the world's business. Low-lying cities like New York and low-lying states such as Florida would disappear under the sea."

Another problem involves ozone pollution. If millions of city drivers go over to electric town cars they may cause basic changes in the air we breathe. Electric sparks—trillions of them a minute coming from

being able to foresee how the communications explosion, which it created, will go. Will it cause new political alignments, new layers of society, new businesses, new lines of thought?

In the early 1800's, man learned to communicate information across distances at a rate faster than a horse could run. This was the major factor in political upheavals of the 1840's and in creating entirely new private enterprises. Countries such as Great Britain prospered because they adapted. Those that did not diminished.

Today there is a communications explosion one hundred times greater. Ten or 15 years ago the poor did not know how prosperous others were. Today they can see this prosperity live on TV—and often exaggerated in the fictional and romanticized version of life TV sometimes depicts. Early results are Negro rioting and



set up offices, whether they will drive to work or ride the continuous underground train. Men will be subject to controls which are little-known today. This process of evaporating independence and loss of freedom of action began hundreds of years ago. Zoning is a mere milestone along the route.

Cities obsolete?

One continuing problem will be deciding whether to build new plants or offices in an inner city or in the outskirts. In effect business will be deciding whether to abandon cities or not. Businessmen may soon be asking if industry and government should indeed invest huge sums of money in cities; can cities be saved in the first place; are cities important; what is the role of cities for business?

Flight fatigue

It is known that the average man (who isn't in the superb physical condition of an Air Force pilot) can physically tolerate an occasional supersonic flight. But what about an aging business executive who

makes two or three supersonic flights a week?

Will his career as well as his effectiveness be limited?

Industry is already trying to find answers for another problem. What happens to the sedentary individual who lives in this tension-filled era? What effects will life in the nuclear, supersonic, transistorized, psychedelic age have on man's whole being—heart action, liver, digestion, emotions, psyche?

Research gap

Many now believe that not only a missile gap but a research gap has been allowed to develop. Federal cuts in spending for research and development and scientific institutions, together with the waste of technical and scientific manpower locked into the stalled programs, is causing great concern in the research community.

Industry and science expect to be handed the problem of catching up again as soon as a new President is inaugurated next January.

Scientific gypsies

Business will have to adjust to handling an increasing number of migratory workers. These will not be all blue-collar, or agricultural workers. They will include scientists, researchers, experts of one kind or another. They will go from job to job in the same industry. Their loyalty will be to their profession, discipline or industry rather than to a company. They will perform valuable, specialized work, but they will also create such headaches as "portable pensions" and an unevenly dispersed work force. Some of them will contract to do certain work and vary their hours of work as they see fit. "Scientific gypsies" will go from company to company.

The work force of the future will include more women and Negroes, both inclined to change jobs more often than are white male workers.

Mobile money

People, money and products will move more freely around the world of the future.

Already there is increasing cross-investment by citizens in scores of countries. Americans have huge investments in Britain and Holland. British and Dutch have large investments here. This will inevitably lead toward more transnational companies which eventually will be ruled

by international boards of directors. The day is not long off when many boards may include Americans, Australians, Japanese and Germans. Will this be a blessing or a problem?

As the world becomes easier to traverse, it is inevitable that products will be transported easier. And more of them, too. This will become more true as underdeveloped countries begin turning out unsophisticated products which they can sell cheaply or barter for sophisticated things which we make and must sell. This sets the stage for the day when Americans must decide if they should produce certain simple textiles and metals or farm out this production to subsidiaries in countries where the same product can be made cheaper.

Delphi decisions

Executives worry about finding better ways of reaching corporate decisions. For executives and specialists to sit around a table, talk and finally decide can be inefficient or even dangerous because in every group there are opinion molders and loud talkers. These people may influence the others out of proportion to their own judgment or knowledge.

One other route to reach corporate decisions is called "The Delphi Technique." It is being developed by the Rand Corporation. Participants answer questionnaires in writing without knowing who else is taking part. The group's consensus is then reported to all. Respondents whose views are far removed from the main stream are asked to justify their views. Another round of questionnaires follows, then a third and a fourth. After several rounds, the consensus is usually definite and reasonable, though the technique is not perfected.

Can you keep up?

The problem most worrisome to business and researchers is not knowing the full extent of change that will take place after the next round of inventions and innovations.

As man gets smarter he makes changes faster. The faster changes come, the more problems pile up. Knowledge used to double every 10,000 years. Now it doubles every 10 to 15 years.

What will happen when it doubles every three or four years? You may have to decide.

END

AN INDUSTRY GOES THROUGH THE POLITICAL WRINGER

PHOTO: BLACK STAR



A grand old man of plane design, Dr. Barnes Wallis, strokes a model employing the swing wing principle he developed in 1945. British politicians retarded his work. British Aircraft Corp. Director, Sir George Edwards, works to get the supersonic Concorde flying before British and French politics can ax it also.

And the life was nearly squeezed out of British aircraft making because of it

Associate Editor STERLING G. SLAPPEY interviewed aircraft company officials and toured plants in England in preparation for this article.

LONDON—The British aircraft industry is like a very sick man lying on an operating table under the prolonged care of someone who doesn't know a scalpel from a bedpan.

The "doctor" is the British government which for 23 years has been poking and testing, administering the wrong elixirs, amputating and stitching back together a once healthy, imaginative industry.

The fact that the patient still lives stands testament to the strength of Britain's aircraft indus-

U. S.
BOEING 727



BRITISH
HAWKER SIDDELEY TRIDENT



BOEING 707



BRITISH AIRCRAFT CORP. VC-10



GENERAL DYNAMICS F-111



BRITISH AIRCRAFT CORP. TSR-2



DOUGLAS DC-9



BRITISH AIRCRAFT CORP. BAC-111



Despite interference from politicians and inept civil servants British aircraft companies still make superlative planes. However, nearly every project since the Second World War was delayed when bureaucrats changed plans and specifications. Only the BAC-111, flown by American, Braniff and Mohawk, has sold well on the U. S. market.

try before the government began putting it through the political-bureaucratic wringer at the end of World War II.

In this period of growing government involvement in industry in the United States, it is a good time for Americans to have a look at what's happened to the proudest British aircraft firms—Vickers, de Havilland, Short Brothers and Harland, Avro, Hawker Siddeley, British Aircraft Corp., English Electric, Handley Page and Bristol.

Some of these companies date

back before World War I and their products helped derail the Kaiser. Any man as old as 40 can remember the great planes these firms turned out which helped wreck Hitler in the last great war. They were Hurricanes, Spitfires, Lancasters, Halifaxes and Wellingtons.

Until the end of that war the British aircraft industry was a match for the U. S. industry. But that was before the British government went to work on the industry.

The grand old days may come again, but the general opinion (even

in some elevated political circles) is they won't, unless airframe makers are freed right away from governmental mind-changing, indecision, red tape, stultifying practices of ill-informed politicians and excessive government monitoring.

Judging by the past these improvements are unlikely because both of Britain's major political parties are guilty of obstructionism. Conservative Governments of Sir Winston Churchill, Anthony Eden, Harold Macmillan and Sir Alex Douglas-Home, as well as Socialist

Governments of Clement Attlee and Harold Wilson have taken whacks at the companies and the men who make British airframes.

The Conservatives, who tend to leave business more alone, did as much, if not more, harm to the industry than the Laborites.

Main targets have usually been airframe manufacturers rather than engine makers. Rolls Royce, Ltd., continues to turn out superlative engines with a minimum of government involvement. Rolls recently won the order to provide engines for Lockheed's trijet 1011 airbus with little back seat flying from the Labor Government now in power. In fact, this was one occasion when the British Government actually helped back up the industry in winning the contract.

How the trouble began

The airframe industry's troubles with governments began before World War II ended. The wartime Churchill Government insisted the industry emphasize design and construction of fighters rather than transports.

Americans did the opposite, so when the war ended they had big

transports in the air and on drawing boards. The British industry never recovered. Government defenders say, of course, war needs came first and fighters were needed more than transports.

There have been 15 Ministers of Aviation since 1945, each with his own ideas, each a politician first and administrator-technician second. Since it takes about seven years to conceive, design, test and market a plane, this means four or five Ministers have stuck their fingers in each pie.

As with departments in Washington, there also have been jurisdictional problems with the Ministry of Aviation and the Research and Development Board stepping on each other's toes. Duncan Sandys, son-in-law of Sir Winston and a Cabinet member, did the worst damage in 1957 when he said manned planes were things of the past.

This attitude was largely responsible for stopping development of a supersonic version of the highly successful Hawker Hunter attack plane. The government refused to put up a paltry \$7 million for development and the industry missed potential sales of 2,000 planes.

Four years ago the Labor Government had a big inning against the industry. It cancelled the promising TSR-2 low-level reconnaissance plane for which 120 orders had been placed. The prototype had flown well and a second plane was ready. Cancellation costs of nearly \$1 billion have already been paid. The government naively expressed surprise that construction costs had gone up although everyone else knew prices were inevitably rising.

The Labor Government then ordered the American F-111 and later cancelled that order too. Britain today has no plane which could match even the Egyptian Air Force's attack aircraft.

It was about this time that the London humor magazine, *Punch*, ran a cartoon showing a test pilot climbing into the cockpit to fly a plane for the first time. Two men are standing nearby and one says, "Shall we mention it's scrapped before he flight tests it?"

The left wing of the Labor Government, Britain's communists and pacifists, were elated over the cancellations. They aim now to kill off the whole industry.

Under the government's thumb

British European Airways and British Overseas Airways Corp. are both government-controlled. Throughout their lives they have been plagued by government interference.

In 1957 Hawker Siddeley designed a transport for BEA called Trident. It would have beaten the similar Boeing 727 to the market except for the government.

The year 1958 was a poor one money-wise for BEA and the government panicked. It demanded that Trident be cut in size by one fourth without regard to the wishes of foreign buyers of the plane. Boeing, under control of private experts rather than politicians, went ahead with its plans for a big, powerful plane, came up with the 727 and sold nearly 600 of them.

Hawker Siddeley sold 54 Tridents.

A stretched version of the Trident, about the same size as the big version scrapped 12 frustrating years ago, is now being produced.

Many times BEA and BOAC have been forced to fly unprofitable routes with planes ill-suited to the job. When the firms failed to earn a profit, they were criticized by politicians who got them in the bind.

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Britain's new hovercraft industry hasn't been bothered unduly by the government and it's doing well. These 55-mile-an-hour, 165-ton, 130-foot-long Mountbattens will cross the English Channel.

One of the finest planes in the air today is the VC-10, but as a money-making competitor of the Boeing 707 and Douglas DC-8, it's not in the ball game. One reason was government insistence that BOAC have a big plane which would operate out of all sorts of odd-sized Empire landing fields. This called for expensive extra flaps, higher fuel consumption and other added costs.

Since the British Empire was non-existent at the time, these demands were foolish. Sales of the VC-10 were never good.

VC-10 was a stepchild of the Vickers 1000 which was canceled in 1955 three months before the prototype was to fly for the first time.

A score of other planes were cancelled late in development days or after prototypes flew because of

specification changes demanded by bureaucrats, high costs which should have been anticipated, changes in political thinking.

Some cuts were justified. Others were not.

The British claim to have invented the variable geometric wing, commonly called the swing wing. Dr. Barnes N. Wallis, a brilliant designer now with British Aircraft Corporation, had a design flying in 1945. Suddenly the government cut the ground from under him by refusing to put up development and research money. Results of some of his work were turned over to Americans and today the F-111 makes use of them.

BAC tried to salvage something from the fiasco and went into a joint swing-wing project with Dassault, a French company. Although

the British Government assured BAC the French would not pull out of the agreement, Dassault did just that last year and now is making its own swing-wing plane.

BAC has now turned to a small German firm in hopes of finding someone to share development costs on still another swing-wing venture.

Not backed up

When American plane salesmen turn to their government for help, they almost always get better treatment from the Department of Commerce and American Embassies than British salesmen get from their diplomats and attachés.

In 1964 when Boeing and BAC were trying to sell fleets of medium size jets to Lufthansa, the Boeing 727 was an easy choice over the BAC-111 partly because the British

government provided such poor support for BAC.

One high British Embassy officer, who touted the BAC-111 of which he obviously knew little, became a joke among his colleagues and the aircraft people.

Another practice which has infuriated aircraft manufacturers is the civil servants' tendency to leak criticism of planes in the development stages to British newspapers.

The result: Stop-and-go production and design work that has plagued design teams. British companies have lost hundreds of designers, draftsmen, engineers and technicians to Boeing, McDonnell Douglas, Lockheed and General Dynamics. British newspapers have been filled with articles from Seattle, St. Louis, Long Beach and Atlanta saying how happy British designers are in their new jobs where bureaucrats rarely bother them.

With the exception of early Comets, which had a series of crashes in the mid-1950's, there has been little wrong with British design or construction. British inventive genius is superior to all but American inventive genius.

The best work on the British-French Concorde supersonic transport has been done by the British. The plane is to make its maiden flight this autumn. BAC and Sud Aviation Corp. are joint builders and two planes await flight.

Among airlines that have ordered the Concorde are TWA, BOAC, Air Canada, American, Eastern, Pan American, Air France, United, Continental and Braniff.

The Concorde is one of the few stars of British aviation now; yet a few months ago, the Labor Government tried to cancel the project. The French held the British to the deal.

Another star is the Jaguar fighter. This also is a BAC-French project. Bregeut Aviation is the French partner.

Hawker Siddeley and BAC are the largest British companies remaining after the government forced amalgamations eight years ago. Rolls is the principal engine maker.

Besides Concorde and Jaguar, other BAC projects now are the successful BAC-111 transport, a fighter plane and basic trainer. Hawker Siddeley is producing a maritime reconnaissance version of the latest Comet, a feeder-line plane, a stretched version of Tri-

PHOTO: BLACK STAR



Dr. S. G. Hooker of Rolls-Royce and Dr. A. E. Russell of British Aircraft Corp. (from left) discuss Concorde with John Stonehouse, former Minister of State for Aviation. Mr. Stonehouse was a rarity—a popular Minister.

dent, an excellent selling business jet and a vertical takeoff plane which the company fondly hopes will be the first of a new generation of aircraft. Hawker Siddeley also hopes to build a European airbus with Sud Aviation and Deutsche Air bus.

Hope for future

Two other British companies are working on hover-craft or, as they are sometimes called, air-cushion planes. They are well advanced in developing these air ferry craft which will lift straight up then fly away horizontally at 70 miles per hour.

One proven machine weighs 160 tons, carries 30 cars and 230 people. It is scheduled for English Channel crossings.

Sales teams are trying to interest buyers in air ferries for the North Sea, St. Lawrence River, Great Lakes, San Francisco Bay, Gulf of Mexico, Florida and Chesapeake Bay.

Cooperation between British and

French companies hasn't been as happy as anticipated, partially due to Gen. de Gaulle, who feared British and American competition. Occasionally the British have turned to American giants as partners.

Still another such effort is now being made.

Sir George Edwards, managing director of BAC, proposed this spring that an American company make the Concorde under license in the United States and that his company make the proposed Boeing supersonic transport under license in Britain. This, it was said, would increase sales, speed development, save money and help solve the gold flow.

"One way to tell if Sir George had a good idea is to watch reaction from Whitehall (seat of the British Government)," said one expert who has managed to survive government interference before.

"If it was a good suggestion, Whitehall will ax it. If Sir George was all wet, the government will think the idea simply great." **END**

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SIX WAYS TO PUT PEOPLE TO WORK



John Coleman, project coordinator, checks over a workbook. Below, Mr. Ewell at his new job.

BUSINESS FINDS THE ANSWERS

In these days of questioning and unrest, national concern seems focused on the plight of the unemployed, the uneducated, the disadvantaged.

Related problems, mainly centered in our cities and ranging from crime to taxes, also cry out for solution.

Business is involved from supervisor to the Chairman of the Board in hundreds of programs, projects and plans to find the answers to the nation's problems. In three articles, the editors of NATION'S BUSINESS look at potential answers for the unemployed, how to help the Negro businessman and techniques two towns used to spur community involvement and betterment.

With typical enterprise American business is making productive people of the "unhirables" while testing a variety of approaches to come up with the best methods.

Thus private industry is taking on a task government has often fumbled. The true values of the programs can best be seen in how they affect the daily lives of the people they are designed to help.

Here are six case histories showing different programs.

PHOTO: TED COWELL





Thomas C. Fogarty, board chairman of Continental Can, addresses Mr. Ewell's graduating class in ceremonies on blocked-off West 114th Street.

New life in "Incubator Row"

The din of children playing, adults arguing and soul music blaring fills the ears as you walk up Eighth Avenue in Harlem and turn into West 114th Street.

The street—sometimes called Incubator Row—is blocked to traffic most of the day, providing a strip of concrete playground for some 600 children who live behind the high walls of "railroad flat" apartments.

On a summer afternoon the heat trapped in this redstone canyon is smothering.

Curtis K. Ewell has lived on the

Associate Editor WALTER WINGO wrote this article after talking with many hardcore unemployed.

block all his 26 years. At one time he was the teen-age gang leader of the block. He has five brothers and two sisters whose knowledge of the world is likewise confined largely to Incubator Row. The family has been on and off welfare.

Mr. Ewell dropped out of the tenth grade, "because I was young and stupid." He worked odd jobs along the block, but whenever he tried to get steady work he'd hear that he needed more schooling.

One day last year, the muscular, goateed Mr. Ewell noticed an unusual stirring in one tenement along his block. With a characteristic bouncing stride, he went to see what was doing. He passed down grated

steps and along a narrow concrete passage to the tenement's basement entrance. Some whites and blacks were cleaning out the basement and hammering up plywood walls.

He learned that Continental Can Co. was converting the old basement into a school for people like him—people who needed more basic schooling if they ever were to become more than minimally productive.

Continental Can had obtained the services of MIND, Inc., of Greenwich, Conn., to do the actual training. MIND (Methods for Intellectual Development) is a subsidiary of Corn Products Co. It develops techniques for enabling "unemploy-

ables" to meet basic job application requirements.

Trainees sit around a big table, ear phones clamped on their heads. Each listens to his own tape at his own pace and follows along in his workbook.

Instructors, called "monitors," add to what's on the tapes with lectures and question periods.

Mr. Ewell walked through the basement school, looking at the travel posters of Africa and the Caribbean. He doubted that the program would really work.

"We had all kinds of people coming on this block with crazy programs to help the people," Mr. Ewell says. "They came and they went. But the people here, they ended up just the same as always. Just about nobody got the thing they needed most—a job."

He signed up anyway, hoping that maybe this time things would be different. He learned that he would attend classes three hours a day, mostly in basic math and English.

"I was a little scared at first," he recalls. "But once we got started, it was fun. Everybody seemed to enjoy working with the tapes and things and it was real good seeing yourself make progress. It was nothing like school used to be."

"Back in school I used to doze off and the first thing I'd know I'd be lost—completely lost. A nice thing about tapes is you can always flip them back if you find your mind has gone and wandered off."

Even before he had finished the 12-week program, he had landed a job. Continental Can gave him \$2.97 an hour to start—the most he's ever earned. He works the midnight to 8 a.m. shift at the Mathpath, L.I., plant. He looks for defects in cans coming out of the oven.

"It's interesting work," Mr. Ewell says. "I hope to work up to foreman."

The Continental Can program adopts a hand-holding approach combined with "simple social and economic survival skills." The program directors spend a good part of their time arranging relief and medical services and even running down baby-sitters for trainees.

In accepting the MIND system in its training, Continental Can has accepted the premise that not even a broom pusher should be turned loose on a factory floor if he can't read a Danger sign. The aim of the pre-packaged MIND program is to upgrade trainees four academic grades in reading, writing, math and typing.

Every evening the kids would gather around

Mary Joyce Braxton dropped out of high school and never got around to developing a highly demanded skill. What's more, Mrs. Braxton, now 34 and the mother of 10, is separated from her husband.

Yet today she considers herself a success in life.

Mrs. Braxton's father was a mechanic in Liberty, Texas. He died when she was 10. A year later she got a housekeeper job. She worked off and on, ever since, as a maid and a laundry bundler.

Eleven years ago the Braxtons moved 50 miles to Houston, seeking better work. Mrs. Braxton found some odd jobs at first, but eventually her family was put on welfare. She was one of more than 16,000 persons in metropolitan Houston without immediate hope of getting a job.

"Lots of times we went with only one or two meals a day," Mrs. Braxton says.

Last summer a man at the Texas Employment Commission told Mrs.

Braxton about a training center being started in an abandoned supermarket in the Harrisburg section of Houston.

The program was run by the Northern Systems Co., a subsidiary of the Northern Natural Gas Co. The training center's director, John A. Donley, turned down an offer of an old school building for the center. He feared the school building would evoke unpleasant memories for many of the "hard core." Besides, he argued, the supermarket building was more like the places where trainees would eventually work.

Mr. Donley installed other training features that made sociologists wince. For example, he put a time clock at the front door and "No Smoking" signs in the work areas. Mr. Donley believes training programs should be just as demanding as real jobs.

Mrs. Braxton was one of 39 trainees in Mr. Donley's first training cycle, which began last Aug. 28.

Mrs. Braxton, shown at home, is proud that she can now get some things she and her children used to dream of, like a TV set and phone service.





At her job at the Erwin Bag Co., Mrs. Braxton works fast, knowing that extra work means extra pay.

PHOTOS: MARC ST GIL—BLACK STAR



"We were all pretty excited that first day—both the trainees and the teachers," Mrs. Braxton recalls.

She got her sister, her older daughters and baby-sitters to care for her younger children while she attended the training classes five days a week from 8:30 a.m. to 5 p.m. She studied such subjects as reading, basic math, "social skills"—how to get along with other workers—and the use of tools.

"Every night when I got home, the kids would gather around and want to know what I had learned in school that day," Mrs. Braxton recounts. "It was fun.

"One of the big thrills was when I was promoted to Lounge Two. I felt like I was really getting up in the world."

The new lounge was fancier than the one she had been using on breaks. Trainees are promoted to the second lounge when they successfully finish half of their training. It's one of the program's built-in incentives.

After completing various stages of the program, trainees are placed in jobs or on-the-job training.

Mrs. Braxton quickly landed a job with Erwin Bag Co. in Houston. She advanced there from folding and stenciling burlap bags to operating a machine that pulls the bags right side out—so the stitching is on the inside. It is repetitive work, but Mrs. Braxton finds it fascinating, especially since she knows she gets paid extra for exceeding her quota of bags.

"I'm making more money than ever," she says with a broad smile. "We've never been happier. Now I can get some of the things the children have always wanted. We always have something in the refrigerator now."

"I'm going to start buying a savings bond every month," she says determinedly. "Maybe by the time the younger children grow up, I can at least get a good education for them. I don't want them to travel the same road I did to get ahead."

The Northern Systems approach, which already has resulted in 65 per cent of its 448 trainees being placed in jobs, prepares "unemployables" for jobs in stages. The program is designed to get trainees to develop pride and confidence in themselves by providing them with concrete evidence of their own accomplishments. Unlike many other programs, this one introduces trainees to the cold facts of working life right from the start.

To go to work neat and come home neat

Ollie Ruth Powell, 21, is now a trim, efficient secretary for Olivetti Underwood Corp.'s headquarters in Manhattan. Sometimes her job sends her jetting around the country to help out at conferences.

Only three years ago Ruth was sitting on her front porch in a little town in Alabama, wondering what was to become of her. She had little desire to be like her mother, the wife of a farmhand.

Ruth packed a suitcase and caught a bus to Paterson, N.J., where her aunt lives. She had heard jobs were easier to come by up North. When Ruth went job-hunting, however, she found that the only jobs she could get were in factories.

"Somehow it wasn't what I'd dreamed of. I wanted a job where I could kind of dress up, you know. I wanted to go to work neat and come home neat."

One day Ruth heard about the BEST (Business Educational Skills Training) program in Paterson. It is designed to give job experience to underprivileged youths who have dropped out of school. Ruth joined the program and was assigned to the purchasing department of Paterson City Hall helping the file clerks. It was her first job.

Once Ruth learned the ropes, however, she realized that she did not have the skills to advance further.

In December, 1966, Ruth was told that BEST was about to open classes to supplement its on-the-job training.

The idea for the new program sprouted from talks between the BEST director and Olivetti Underwood Corp. salesmen. The Olivetti men reported a need for people in the Paterson area capable of operating various office machines produced by the company.

Ruth was among the first to sign up. She continued working in the City Hall and attended classes from 6:30 p.m. to 9:30 p.m.

Ruth learned typing, stenography and how to run office machines. In addition she took courses in office management skills and basic subjects, including remedial reading. BEST claims its magnetic tapes make the learning more effective. In six months Ruth

had her diploma from BEST. A short time later she got a job offer from the Olivetti headquarters in Manhattan. She was made a secretary in the firm's educational department, the same department that originated the idea for the new BEST program.

Ruth still lives with her aunt in Paterson. She rides a bus and transfers four times on subways to get to her job in midtown Manhattan. Although she spends an hour and a half to get to work each day, she still is usually the first one in the office.

The Olivetti Underwood approach to the "unemployables" problem in Paterson is to pass its know-how on to an already existing training center while opening doors to employment opportunities for trainees.

It is an example of smooth cooperation between a public agency and private business in which all parties benefit.



Miss Powell, at work at her desk in Olivetti headquarters in Manhattan, flashes an engagement ring she recently received.

We don't need a lot of fancy training

PHOTO: BENYAS-KAUFMAN-BLACK STAR

If the hard-core unemployed exist anywhere, they'd certainly be found in a state mental hospital. So figured Edward L. Page, a former industrial engineering professor at the University of Michigan.

Mr. Page quit teaching to concentrate on "human engineering." He set up the Employment Enterprises Development Corp. (EEDCO), headquartered in a walk-up across the street from the university's famed Diag.

Mr. Page, whose full head of curly hair and exuberance for new techniques belie his 51 years, believes the solution to the hard-core problems won't be found in government-sponsored training programs. The answer, he insists, is in providing jobs for which people are mostly their own bosses and letting them develop themselves into useful, self-supporting, proud individuals.

Mr. Page asked Ypsilanti State Hospital to let him help find pro-



"There're plenty of jobs for everyone," says Miss Wood, shown unloading her tools, "if you don't mind working."

ductive work for patients about to be released.

The hospital agreed to give the idea a try. Among the first group of former patients he put to work was Linda M. Wood, a slim young lady who seemed exceedingly jittery when Mr. Page first met her.

Miss Wood grew up in Grand Rapids, Mich. She dropped out of the tenth grade and worked as a drug-store waitress and assembler of carpet sweepers. But she had a nervous breakdown. After a spell in the hospital, Miss Wood tried to work again. But she found that few employers wanted to take a chance with her.

Finally Miss Wood got a job in a factory, putting together eight-foot panels. She had another breakdown. This time she spent three years in the hospital.

In November, 1965, when Miss Wood and her friend, Rose M. Bryant, came to Mr. Page's EEDCO office, they learned that they could be part of a team of housecleaners in business for themselves.

"It was really great being able to work again," Miss Wood says. "I really liked being productive and having people appreciate the work I was doing."

"It was satisfying to know you're out doing something for somebody and somebody cared. Compared to the only other jobs I could get, this was Heaven."

By August, 1967, Miss Wood had done so well that she became supervisor of some 50 women, mostly from the hospital, who were doing domestic work. She had to estimate the cost of jobs, make flat bids to potential customers and assign the work. Later she was named manager of the entire housecleaning project.

Miss Bryant was made office supervisor, responsible for payroll, billing, and bookkeeping.

Last January EEDCO dropped the housecleaning business, but Miss Wood and Miss Bryant had learned enough to go into business for themselves.

They rented a small house on the outskirts of Ann Arbor, started payments on a car and pronounced themselves the B & W Cleaning Co.

"We have plenty of business, because we do a better job than anyone else," Miss Wood says flatly. "We vacuum the radiators. And we don't just clean the windows; we take them off and clean the window tracks, too."

Business is so good that they have been hiring some of the people from the old outfit.

They're even talking about getting far enough ahead to buy some newspaper ads and perhaps get themselves listed in the Yellow Pages.

"People don't need a lot of fancy training in order to get work," Miss Wood insists. "There's plenty for anybody who really wants to work."

Mr. Page describes his approach as one of creating "private employers of the last resort." He believes a major mistake made in the past years has been the assumption that what the hard-core poverty-stricken need most or want is training. More important, he believes, is the problem of "entry"—getting the person into the economic system, after which "the training problem will solve itself."

He kissed it and shouted "Give me more"

"It seemed too good to be true," recalls Lawrence E. Jones of the time he first learned about the new school in basic education at his plant.

Mr. Jones, a strong and serious

family man of 40, had spent most of his life bouncing from one dull, dead-end job to the next and hearing the same refrain, "Sorry, you need more education."

Mr. Jones, a native of Holly Springs, Miss., dropped out of the sixth grade to help his father with the sharecropping.

"I knew even then there was nothing in sharecropping for me—no future, nothing," Mr. Jones says.

At 15 he went to Memphis to look for better work. The next quarter century, spent mostly in Memphis and Detroit, was a study in frustration for Mr. Jones.

He put screws in electric fans, unloaded boxcars, tacked the metal on scrub boards, ran a tape edge machine in a mattress factory, was a general laborer, charged up coke-making ovens, did some spot-welding, delivered meat for a butcher and helped on an auto assembly line.

Always he was among the first to be laid off when business slipped.

Only once, however, did Mr. Jones go on welfare. "Welfare's no good," Mr. Jones reflects. "It's like being in jail; it's that confining."

One day, Mr. Jones got a letter from his brother-in-law in Milwaukee saying he might be able to get a job there. Mr. Jones' landlord



Once called "unemployable," Mr. Jones (left) has been breaking in as a foreman. Here he and a fellow employee review the foundry's operation.

WAYS TO PUT PEOPLE TO WORK

continued

loaned him \$15 to take a bus from Detroit to Milwaukee.

Mr. Jones got a job as a laborer at Lawran Foundry Co. in West Milwaukee.

Last fall Lawran Foundry was visited by a representative of Manpower, Inc., the international temporary help agency, headquartered in Milwaukee.

The Manpower man described to Lawran President Lawrence Andres the Manpower Teaching Services program to upgrade persons like Mr. Jones who are frozen in "entry level" jobs.

Mr. Jones was one of the first to volunteer for the Manpower program at Lawran Foundry. Manpower learned that one of his most fervent desires was to be able to help his daughters with their homework.

"The most I could do was tell them to get to their books," Mr. Jones recalls.

Manpower decided to help Mr. Jones get a better grasp on spelling, grammar, pronunciation, usage, reading, fractions and penmanship. The classes were held for an hour and a half after working hours each afternoon in the foundry's lunch area.

At first, Mr. Jones was discouraged to see how fast his teen-aged children could figure out the problems that he had struggled over in class. But before long he brought home some problems he'd solved that stumped his children.

"Now that was a great feeling," Mr. Jones recounts.

After six months of such training, Mr. Jones was handed his diploma. He kissed it and shouted, "Give me more."

Since graduating, Mr. Jones has been used several times as a temporary foreman. He is sure he has stepped out of the common laborer category forever.

The Manpower approach is to design a course specifically for each trainee. First the teacher determines what the trainee's greatest personal wants are. Then the teacher designs the early part of that trainee's program to give the trainee an immediate sense of achievement. The program designers figure the trainee thus will build up sufficient motivation to carry him through the toughest parts of his basic education.

In the Lawran Foundry, Manpower Teaching Services used an approach that stresses individual motivation and the development of hidden educational and social abilities.



PHOTO: DAVID GREENE-BLACK STAR

Mr. Olinger inspects a bucket arriving after its 10 mile journey from the limestone quarry to the chemical plant.

Opportunity comes to Saltville

Iron buckets, some laden with a ton of limestone, creak along wires stretching nearly 10 miles above rolling farmlands and winding mountain roads from the Rich Valley of southwestern Virginia toward Poor Valley and into the town of Saltville.

The picture has been the same for the past 63 years. But it is about to change.

The tramway, the aged artery of wealth and employment for Saltville, is scheduled to come down later this year. It must give way to modern means of transporting limestone to the Olin Mathieson Chemical Corp.'s works.

There is a community effort to save as an historical memento at least a portion of the tramway which is Saltville's chief claim to fame next to the fact that the town was "the Salt Capital of the Confederacy."

But the Saltvillians most concerned with the tramway's demise have been the families of the men who have depended upon the tramway for their livelihood.

They are mostly hardworking men, born and bred in Saltville,

with little schooling and with skills limited mostly to operating the aerial bucket line. One such man is Claybourn C. Olinger, an ordained Baptist minister.

Mr. Olinger, called "C.C." and "Preacher" by his fellow workers, dropped out of school in the eighth grade to help his father cut corn. At 18, he went to work in the chemical works, first as a laborer, then as a miner. He later went to work at the other end of the tramway, as a "bucket runner" in a tall, wooden tower. He "stripped" the buckets, emptying them into a giant sifting device that separates the chunks of limestone by size.

"I was always a backward type of feller," Mr. Olinger, now 38, relates. "I wasn't much talking with people, and I could only read 40 words a minute—all from the Bible. I never read anything else."

Each evening, after leading family devotions, he would excuse himself from study time and leave it to his wife, who graduated from high school, to help his three teen-aged children.

"I just couldn't understand what



After passing the truck driving course, he feels confident about his job future.



Mr. Olinger and Olin officials review studies in classroom.

they were learning in those books," he reflects. "I thought I didn't have to worry about more learning so long as I had my religion and my job."

Mr. Olinger was shocked two years ago at the news that Olin had decided it was cheaper and easier these days to transport raw materials by truck than by the old tramway.

Many of the men on the tramway couldn't even read the written test for a truck driver's license, much less pass it. Further, they were told the new truck crew would have to keep logs of such things as tonnage, mileage and road conditions.

One day an Olin official told the tramway workers about a training program being started by Olin.

Olin had obtained the services of the Board for Fundamental Education, a pioneer nonprofit organization in the training of hard-core and undereducated workers. BFE sent specially trained teachers to the Saltville works.

"Some of the guys just laughed at the idea," Mr. Olinger recalls. "They thought it was impossible that they could ever get a high school education."

"But I leaped right at it. Just the week before, I had preached about opportunity—how you have to take advantage of opportunities when they come—the way Zaccaheus took advantage of the opportunity to come down from the sycamore tree and join the Lord."

In May, 1967, Mr. Olinger and 59 fellow workers began classes in one of the plant's buildings. They went after work for two hours a day, three days a week for 20 straight weeks. There was plenty of homework. The employees tackled most major high school subjects using individualized learning and motivational techniques developed by BFE.

Before long other workers had stopped calling Mr. Olinger and his fellow worker-students "school-boys." They were signing up themselves for the next training cycle.

Mr. Olinger had switched to the job of helping the timekeeper—a task requiring a knowledge of fractions, reading and writing reports. It was also a better paying job.

Mr. Olinger saw the results of his schooling off the job, too.

"I finally joined the family study period," Mr. Olinger recounts. "We

had a great time solving each other's homework problems.

"I found my education was helping me in my preaching, too. I had more confidence in meeting people and talking with them. I also started going to PTA and community meetings and such other things that I used to be afraid to go to."

Mr. Olinger successfully completed another course given by Olin last spring—an 80-hour course in truck driving.

"We had to read and study manuals about trucks and their parts and all sorts of like material—but it wasn't so tough," Mr. Olinger says with a touch of pride. "I'm reading at 420 words a minute now."

Mr. Olinger now holds a license entitling him to drive trucks when the tramway finally comes down. He plans to continue learning and hopes to become an assistant to the truck drivers' foreman.

"And," he says, "who knows what other opportunities there may be?"

The Board for Fundamental Education's in-plant training approach can upgrade employees who might otherwise be thrown out of jobs through automation or open up new entry-level jobs for "unemployables" in the community.

BFE officials believe that the easiest place to educate a man is at work where his motivation is highest and the rewards of further learning are easy to see.

END

HELPING NEGRO BUSINESS PROSPER

**BUSINESS
FINDS
THE
ANSWERS**

Even in riot-torn areas, untapped markets, suppliers and investment opportunities exist

Deposits are hard to come by for Negro banks. That's why William Hudgins, president, Freedom Bank in Harlem, displays its honor roll, listing the bank's major depositors.

PHOTO: LEO CHOPLIN—BLACK STAR



LOCAL 888 RETAIL CLERKS UNION
LOCAL 1199 DRUG & HOSPITAL EMPLOYEES
LOCAL 1199 SPECIAL MORTUARY BENEFIT FUND
ENDS L. LORD
SOLFRED MAIZEL
MANHATTAN SAVINGS BANK
RICHARD MARCUS
JAMES & ANN MCKINNEY
MERRILL LYNCH PIERCE FENNER & SMITH
METAL CRAFT LOCAL 236 WELFARE FUND
METROPOLITAN LIFE INSURANCE CO.
METROPOLITAN LEASE SERVICE TRAINING
MILES SHOE STORES
MOBIL OIL CO.
MONARCH WINE, INC.
MONTANA ELECTRICAL DECORATING CO.
ROSE MORGAN
MORNINGSIDE HTS. CONSUMERS COOP. INC.
NATL. COUNCIL OF CHURCHES OF CHRIST in USA
NATIONAL SHOE, INC.
NATIONAL URBAN LEAGUE
NEGRO HERITAGE LIBRARY
NEIGHBORHOOD FINANCING CO., INC.
NEW BROADCASTING CO., INC. (W.L.T.B.)
DON NEWCOMBE'S WINE & LIQUOR
NEW YORK BANK FOR SAVINGS
NEW YORK STATE
N.Y. RELIGIOUS SOCIETY OF FRIENDS
N.Y. STATE DEPT. OF TAXES & FINANCE
N.Y. TELEPHONE CO.
OPERATION HEAD START
LOUIS C. OSTRER
PARAMOUNT INVESTORS
H.G. PARKS, INC.
PEPSI COLA METROP. BOTTLING CO., INC.
PERERA CO., INC.
JUDGE SAMUEL R. PIERCE, JR.
POSNER'S BEAUTY & BARBER SUPPLY
PREFCO INSUR. PREMIUM FINANCING
A. PHILIP RANDOLPH INSTITUTE, INC.
REALTY FOUNDATION OF N.Y.
REHABILITATION CORP.
RENEWAL COMMITTEE OF HARLEM N.Y.
RETAILERS FINANCING CORP.
WILL J. RIDLEY
RIPLEY CLOTHES
JACKIE ROBINSON
ROCKEFELLER BROS. FOUNDATION
ROCKEFELLER CENTER, INC.
ROOSEVELT SAVINGS & LOAN ASSN
SAMUEL SADIN
JACOB A. SALZMAN
SAM & LOTTIE SAMUELS
SANDALE DEVELOPMENT CORP.
F.M. SCHAEFER BREWING CO.
SCHENLEY INDUSTRIES, INC.
FRANK SCHIFFMAN
JOSEPH E. SEAGRAM & SONS, INC.
SENTINEL ASSN, INC. NO. 2
KENNETH N. SHERWOOD
EDWIN A. SMALLS
MORGAN & MARVIN SMITH
SQUARE DEAL FOOD MARKETS

In the heart of Harlem stands the Negro-owned Freedom National Bank in which a number of white-owned companies have deposited money. The amounts are not particularly large. Yet these deposits mean so much to the bank that it has enshrined the companies' names on an honor roll overlooking the lobby floor.

"Money is not so easy to come by here in Harlem," says Freedom Bank President William Hudgins, "and this is our way of showing these companies how much we appreciate the use of their funds to build new homes, start up black businesses and generally strengthen the economy of our community."

Depositing some money in a black bank is but one example of the kind of positive action that even the smallest company can take in supporting the massive struggle to upgrade Negro life in America.

This action may not be as newsworthy as the auto industry's decision to hire thousands of Negro workers, or the insurance industry's commitment to invest \$1 billion in rebuilding big city ghettos. Yet taken together, the efforts of the nation's five million small businessmen can make a profound impact on ending what the recent U. S. Riot Commission Report called the decades of discrimination and segregation that "now threaten the future of every American."

What exactly can the businessman do to help insure the Negro's economic future as well as his own? The answer is more things than he probably realizes.

CARTER HENDERSON, the author of this article, is a consultant on urban and socioeconomic affairs. He is a vice president and director of the National Interracial Council for Business Opportunity, and the Foundation for Human Resources Development, Inc. He was manager of public affairs for IBM, and a reporter for The Wall Street Journal.

Boiled down to essentials, every businessman can make a unique contribution to Negro equality by simply doing what should come naturally.

That is, purchasing some of his needs from black suppliers, hiring and seriously training one or more black employees, taking in black partners and courteously and fairly serving black customers whose incomes have been growing from one-quarter to one-third faster than that of the nation as a whole since the beginning of the 1960's.

Struggling black businessmen can be helped tremendously by white suppliers willing to cut their prices a little bit. "The white merchants who sell us materials make us pay through the nose for everything we get," says Milton Clark, executive vice president of all-black New Breed Clothing, Ltd., which designs, manufactures and retails African-inspired men's and boy's clothes throughout the United States. All of New Breed's owner-management group work for nothing, says Mr. Clark, and a cut in raw material costs might just be the key to putting the firm over the top.

Every day American companies buy billions of dollars worth of goods and services. If even a small portion of this business could be directed to Negro firms, it would do a great deal to pump desperately needed capital into the black community.

Many Negro business firms

There are Negro cleaning firms, garage and repair shops, gas stations and trucking companies (the all-black New Jersey Truckers Association alone has some 200 members). But also waiting to serve are black law firms, accountants, building contractors, stationers, caterers, hardware stores, fuel oil dealers, travel agencies, security guard services, printers (The Chaucer Press, Inc., in New York is owned by a black graduate of the Harvard Business School), banks, insurance brokers

and insurance companies. While black bankers are anxious to get white time and demand deposits, they are also eager to serve white borrowers. It's profitable and improves the balance of their loan portfolios.

The same applies to black insurance brokers who can assist their clients in buying fire insurance, workmen's compensation, public liability and other forms of protection from the same insurers and at the same rates as white brokers.

"I'd like to have some more white businessmen and real-estate owners as clients, because it's good business and gives me a little added leverage with insurers," says Ernest E. Johnson who runs a thriving insurance brokerage firm on 125th Street in Harlem.

Still another way to help, of course, is by purchasing life insurance from black companies many of which are multistate, legal-reserve, state-chartered companies.

A growing number of black manufacturing organizations make fine products and, in some cases, are capable of handling contract work. These firms include sporting-goods makers such as the Green Power Foundation in California that is building a national reputation with a baseball bat dubbed the Watts Walloper; food companies like Baltimore's H. G. Parks Co., Inc., famed for its "More Parks Sausages, Mom" commercials; and pharmaceutical and cosmetic companies such as Riverton Laboratories Inc. of Newark, N.J., that was founded in a kitchen 20 years ago, and now grosses more than \$2 million a year.

"Giving black-owned firms in the Negro community an opportunity to bid on contracts can create payrolls, help stabilize the neighborhood, and give other black people an economic success story to emulate," says Errol Jones, president of Dot Laboratories, Inc., in Harlem. It makes electronic and electromechanical devices for several well-known companies and the U. S. De-

HELPING NEGRO BUSINESS PROSPER *continued*



PHOTO: DENNIS BRACK—BLACK STAR

H. G. Parks, whose company makes the famous Parks sausages, is one of growing number of Negro business executives and proprietors.



LEO CHOPLIN—BLACK STAR

Prexy's New York hamburger chain, seeks out—and trains—Negro youths.

fense Department. Subcontracting work to Negro manufacturers also helps to build larger-scale businesses which are so badly needed in the black community.

Where to find them

Negro-owned firms, incidentally, can be located through the local office of the Urban League, the federal Small Business Administration, probably your own City Hall, Negro churches, or the advertising manager of your local Negro newspaper.

"Jobs" has become the key word to businessmen dedicated to improving Negro life.

Several months ago a new organization called the National Alliance of Businessmen was formed to find

employment for 500,000 ghetto residents over the next three years.

Henry Ford II is chairman of the group, and member corporations from Mobil Oil Corp. in the East to Pacific Power & Light Co. in the West are rigorously opening up more jobs for black people.

Another good source of information is the Chamber of Commerce of the United States, which has sponsored a program that works through local chambers to pull together the diverse interests of any community to solve the broad social, economic, racial problems of our times.

A giant corporation can create many jobs with a one sentence memo from the chairman to the vice president (personnel). It can then provide special training for

these new workers by using in-house facilities or retaining the services of an outside training organization.

Even the corner drugstore often can create one new job and, if it cares to, provide its new employee with a training program that the large corporations can't match—the kind where the boss himself teaches the newcomer what he knows.

In New York City, for example, there is a chain of seven luncheonettes called Prexy's, Inc., that sells "The Hamburger With a College Education." This small business goes out of its way to recruit and train Negro youngsters. A young man with a minimum education will be hired as a kitchen helper, for example, and a short time later be re-



Relax-A-Tours, Negro-owned travel agency in Newark, N.J., began with help of Interracial Council for Business Opportunity.

assigned to a training luncheonette at Prexy's corporate headquarters where he'll be taught to be a counterman. After he's mastered this job, he'll be brought back to headquarters and taught more skilled work all the way up to store manager.

Negro business can also be assisted by shopping center developers who offer store locations to black dry cleaners, druggists or shoe-makers. Or by white bakers, gas station owners or accountants who offer Negro employees or acquaintances a chance to become their partners. The partnership idea is being given increasingly serious thought these days by white retailers who do business in riot-prone black ghettos.

Local businessmen have many

opportunities to improve the lives of Negroes in our urban ghettos.

One of the most important, but least appreciated ways of doing this, is by opening up more retail stores selling good quality food, clothing, furniture and other necessities to black people, at a fair profit, and in a courteous and dignified manner. (Only a little over a decade ago Negro women were not allowed to try on hats, gloves, dresses and even shoes in many white-owned stores.)

One way the Negro community's need for solid furniture at low prices might be met is by establishing "Do-It-Yourself" stores selling chairs, tables, cabinets, bedsteads and the like which buyers would have to sandpaper, paint, assemble and carry home themselves.

These shops would require only modest amounts of capital, could be operated and perhaps eventually owned by Negroes and would create new jobs in the community. If the stores were successful they might even support an unfinished furniture factory in the ghetto.

Another retailing idea is a Sew-A-Mat consisting of a mill ends and remnants shop, and a sewing machine rental service. Women could come in, buy quality fabrics at bargain prices, receive instructions on how to make clothes and slipcovers, and then sew them up on machines renting for 25 cents an hour or so.

There could also be soft drink and coffee machines, and perhaps a small play area for children so the

HELPING NEGRO BUSINESS PROSPER *continued*

shop would be a pleasant, as well as a money-saving place to spend an afternoon or evening.

Still another idea is for recreation facilities in the ghetto which the Urban League feels are of great importance in reducing delinquency and making slum life bearable. One worthwhile venture would be a discotheque offering Negro teenagers a well supervised and inexpensive place to have fun in the evening, which could be transformed into a children's day center from 8:00 A.M. to 7:00 P.M. so working mothers would have an inexpensive place to leave their youngsters.

An intriguing opportunity is the chance to attack the nutritional and health problems which are so prevalent in the black community.

Newark, N.J., for example, is more than 60 per cent nonwhite and "has the highest maternal mortality and venereal disease rates in the country; highest infant mortality rate in the nation and the highest rate of new tuberculosis cases for all cities," according to the recently issued "Report for Action" prepared by New Jersey Gov. Richard J. Hughes' Select Commission on Civil Disorder. The day care center could offer the children an enriched

diet and even physical checkups, while the nighttime discotheque could sell high-protein soft drinks such as those produced for underdeveloped nations by Coca-Cola Bottling Co. and the Yoo-Hoo Chocolate Beverage Corp.

Businessmen who operate in the ghetto should also establish good community relations programs such as the one Irving Warsoff has developed for his sample-card factory in the tough Williamsburg section of Brooklyn. Mr. Warsoff holds parties and picnics for hundreds of neighborhood youngsters throughout the year, and a grateful community has renamed the street in front of his plant Warsoff Place.

Are these all far out ideas? Perhaps. Yet fresh thinking like this is enabling more and more civic-minded businessmen to help Negroes achieve equality of opportunity in our society.

Interracial business council

Back in 1963, for example, a group of successful white and black executives got together to discuss new ways to help Negroes improve themselves economically. Out of that meeting was born the Interracial Council for Business Opportunity which offers free manage-

ment consulting services to Negroes who want to go into business for themselves, or improve the business they are already in.

The consulting services are provided by lumberyard owners, restaurateurs, CPAs, shopkeepers, and literally hundreds of other volunteers in New York, Newark, Washington, D.C., Los Angeles and New Orleans.

One ICBO client, for example, walked into the office dressed in oil-stained overalls and said he wanted to set up his own trucking business. The man had no money, no business experience, no truck, and no credit, yet within weeks the Council had him in business.

As it turned out, the man was a top-flight truck mechanic, and the freight forwarding company he worked for as a loader liked him so well it was willing to guarantee him five days of hauling work per week if he could get a truck.

An ICBO consultant in the truck rental business leased him a truck at close to cost. Another consultant who managed a major trucking operation taught him the business at nights and on weekends.

The businessmen who created the Interracial Council have also:

Set up business seminars that have attracted hundreds of budding Negro entrepreneurs.

Sponsored the first Junior Achievement in Harlem where 40 black youngsters have started up companies named J.A. Tex and Soul Crafts.

Established a fund to partially guarantee business loans made to marginal Negro borrowers by co-operating commercial banks.

Started two federally funded programs to assist associations of Negro tradesmen in major U. S. cities.

Almost every white business association from real estate brokers to funeral directors has its black equivalent—the white associations usually begin with "American" and the black with "National." One object is to strengthen the Negro trade associations by more closely involving them with the usually larger, more knowledgeable and richer white associations, something the white groups should begin on their own initiative. **END**

WHAT ONE COMPANY FOUND

Identifying Negro-owned firms supplying goods and service can prove difficult for corporations seeking to expand their relationships with the Negro business community.

American Oil Co., headquartered in Chicago, began a search for Negro suppliers about five years ago. A Negro consultant, Dolphin Thompson, of Washington, D. C., was engaged to assist. Accounts were established in Negro-owned banks and savings and loan institutions, and a few suppliers were located, but not in the numbers hoped.

The company has assigned an analyst in its purchasing department to develop up-to-date lists of Negro suppliers. It has concluded, however, that more direct efforts will be needed if significant results are to be achieved.

In one such effort in Baltimore it has helped establish a Negro entrepreneur in the business of retrieving used tires from service stations. His reward: weekly fees from the stations he serves.



Some people have to drive in the rain whether they like it or not.

There are more than 6 million people who drive small trucks for a living. Like butchers, bakers, TV repairmen.

People who drive all day, every day, rain or shine.

And, for some time now, these people have been asking Uniroyal for a truck tire that's as surefooted on wet

roads as The Rain Tire™ is for cars. After all, they argued, they couldn't stay home every time it rained.

Well, each time they asked, we had to say not yet.

You see, to make a tire that has all the features of The Rain Tire and that's strong enough for trucks takes

a lot of time.

We finally did it though: we made The Rain Tire for Small Trucks.

Of course, driving in the rain will never be a pleasure.

But now, at least it will be less of a nightmare.

The rain tire® for small trucks



**BUSINESS
FINDS
THE
ANSWERS**

REMEDY FOR URBAN ILLS



Two case histories demonstrate how communities analyze their problems

"I often wonder why any man today should want to be the mayor of an American city," once mused Robert C. Weaver, Secretary of the Department of Housing and Urban Development.

A good many city fathers are asking themselves the same thing.

All across America, cities and towns are taking a hard look at themselves.

For some, it's easy to see the trouble: Decaying downtown areas, sprawling slums, pools of unemployment, clogged traffic, burgeoning social problems.

In most, however, potential sore spots fester beneath a relatively placid surface.

How to identify the areas most in need of improvement before they explode occupies businessmen, officials and other thoughtful citizens.

"Every city has some problems, on a different scale," says George Kerr, an attorney who is cochairman of the Total Community Development program of Rochester, Minn.

"A long strike at the General Electric Co. plant in 1964 made this town take a good look at itself," says James H. Scholtz, an automobile dealer in Schenectady, N.Y. "It caused the business community to take the lead in finding just what we were and what we needed to be."

Rochester and Schenectady are totally different in character, yet each has characteristics of the typical American city: Non-metropolitan but within easy distance of a metropolis. Each boasts a major industry and a healthy complement of lesser businesses. But one is comparatively young, and the other is among the oldest cities in the nation.

While the national attention has

centered on the crisis of major metropolitan cities, wracked by racial turmoil and beset by urban blight, the overwhelming majority of the nation's towns are like Rochester and Schenectady.

Depression, war, increased population, shifting population, changing needs have all contributed to the mounting problems of the cities, problems that in the last few years have brought a raucous cry for attention.

Many cities have put together piecemeal quick approaches to meet one crisis after another. More and more organizations, private and governmental have offered suggestions.

Blueprint for action

The Chamber of Commerce of the United States for the last several years has suggested a planned blueprint for action on a Total Community Development basis.

The total approach boils down to the coordinated involvement of all aspects of the community: Business, labor, government, the individual citizen.

"If there is any success to Rochester's program," says G. Slade Schuster, head of the administrative section of the famed Mayo Brothers Clinic, "it is the success of involving the community in it."

Total Community Development, or whatever any city which uses the concept chooses to call it, is a technique for identifying current or potential problems, assigning priorities and then involving the business and community leadership in the effort to resolve them.

It promises no quick panacea, but is a process that suggests concrete steps by which people can pool their strengths and reach common objec-

tives. It is a flexible series of steps that can be taken in orderly fashion to generate action.

Rochester and Schenectady are two cities that adopted this concept, using different approaches, and used it successfully.

Rochester is a pleasant, clean city in southeastern Minnesota 85 miles from Minneapolis and St. Paul. Harried officials in many cities would look at it and scoff, "We should have your problems."

But as Mr. Kerr, president-elect of the town's Chamber of Commerce, says, any city has problems, on a different scale.

When he and others looked at Rochester, a city known foremostly as the home of the Mayo Clinic, they found its growth choked by a ring of common school districts; a declining tax base in the central business district; substantial numbers of people drinking water from contaminated wells.

These were some of the obvious shortcomings.

"It is alarming and somewhat terrifying to discover that most people in a community have very little knowledge about the problems of their neighbors," Mr. Kerr declares. "And it is equally alarming that, for the most part, they couldn't care less."

How the program works

How to make a town care and how to pinpoint needs is the technique Rochester used and called it Total Community Development.

Before eight priorities were finally determined in a town-hall type meeting, some 700 people had been involved in examining hundreds of suggestions as to just what Rochester did or didn't need. More than

1,000 were involved in the final selection and order of these priorities.

Rochester has grown as the Mayo Clinic has grown. Today it is dependent mainly upon the twin industries of health and electronics. Mayo with its 200,000 patients each year has 1,200 staff and resident doctors and some 2,600 employees. An International Business Machines plant employs 4,000 workers.

In late 1965, 50 concerned citizens gathered to talk about Rochester's future, and the Chamber's Total Community Development program was outlined.

From this grew the movement that involved hundreds working on various committees to identify community needs.

A steering committee shepherded the groups, of which there were five key ones, including an information committee to make sure the whole town knew about the project and what it hoped to accomplish.

To find out what the people of the community felt, 50,000 response forms were distributed, and a meeting to explain it further was telecast.

From the 49 areas pinpointed for study, every organization in the city was asked to nominate some persons qualified to examine the proposals. At a meeting of some 1,000 persons last year, eight priorities were submitted. These were adopted, but only after the order of importance was changed by vote at the gather-

ing. The top item, townsmen felt, should be the removal of the danger of water pollution by sewage disposal. Number Two was improvement of local intergovernmental cooperation.

Others were to restore the central business district; expand vocational training opportunities; provide a four-year college; reform the tax structure at local and state level; get better flood protection and improve educational opportunities for everyone.

Progress to date

In the year that has followed the setting of these goals, Rochester's project, in the words of newspaper editor Charles Withers of the *Post-*



Bulletin, "is going about as well as expected."

"You know this thing wasn't set up in any atmosphere of panic or anything like that," Mr. Kerr notes. "We simply wanted to cure our problems before they really became serious."

Citizens have passed a \$7.36 million bond issue to expand vocational education. The state legislature has enacted some tax reform and also ordered a mandatory school consolidation law. It has agreed to look at the need for higher education facilities in all areas of the state.

Steps have been taken toward clearing up the water pollution, and the city of Rochester has agreed to pick up most of the tab on flood control involving five separate agencies.

Dick Towey, chairman of the county commissioners, thinks the best thing that will come out of the Total Community Development concept is better coordination and cooperation between various government levels.

"The County now is acting as the tax assessor for all the townships in the county," he says. "We consolidated 23 separate assessing offices into one. It makes for a more efficient and professional job."

And there's another plus.

"Now you've got around a thousand people who have been working in TCD knowledgeable about area government and its problems," he grins. "Not just a handful."

Mr. Kerr feels the Rochester effort enjoys success because "we were able to overcome apathy and because this was a grass roots movement. It was not subservient to any community institution except the citizens. And it was originated by some 50 to 60 leaders from diverse segments of our community, whose leadership gave integrity and foundation for it."

Dave Leonard, cochairman of the TCD steering committee and an administrative official of Mayo, believes that for any such program to succeed those involved in it "must be so honest it hurts, about what you're trying to do and about any proposals for solutions."

Leonard Ekstrand, manager of the Woolworth store in Rochester for 41 years, says the city has a heritage of great community leadership, dating back to "Dr. Will and Dr. Charlie Mayo."

"I can remember Dr. Will saying

he wanted this to be the kind of town people liked to live in."

Rochester's leaders still want this.

So do those of Schenectady.

Schenectady's problems

Visiting the area of restored homes within the stockade section of the original pre-revolutionary fort, wags like to crack, "Schenectady had its first urban renewal when the French and Indians burned the town in the massacre of 1690."

But it was late in 1964, after a long union strike at General Electric, that business leaders took a long, hard look at their town and its future. Some 23,000 GE employees were dependent on the company producing competitively.

Schenectady was basically a one industry town and though Alco Products Inc., was a major employer, GE was the big one. The old town was a bit dowdy in appearance and apathetically drifting.

Schenectady County, one of the smallest counties in New York State, has a bit more than 150,000 population. More than 80,000 live in the city itself. A bedroom community of Scotia is just across the Mohawk River.

In Rochester, the total community concept was used to identify problems and set priorities. But in Schenectady it was almost exclusively the business community, through its Chamber of Commerce, that took the lead. Both communities used the same principles, however.

Two major goals came out of a study by representatives of the Chamber of Commerce of the United States and conclusions of local business leaders—job diversification and revitalizing the aged downtown area.

"I think the community wanted to respond," says Mr. Scholtz, speaking of early interest in the program. "We took our time, too, to make sure we were going in the right direction." There were other areas that needed attention, including educational facilities and low-income housing for large families.

"I think a lot of what has happened," says Arthur T. Lawrance, president of the local Chamber of Commerce, "happened because more people are concerned now. They have the very human feeling that people should be in adequate housing and have job possibilities."

Rolling up their sleeves

With job diversification a major

goal, a Chamber-sponsored industrial corporation used \$60,000 seed money to acquire part of the suburban Scotia naval depot for an industrial park and has attracted industry there that provides 400 jobs and has put \$4 million in taxable property on the rolls.

After two years, three privately financed surveys and \$32,000 spent, business leaders hope they are on the threshold of development of a center city project that will add new investments and reverse a serious decline in property values.

A new county charter proposal was passed that will provide more professional management of county affairs. The Board of County Representatives has finally voted to start a two-year Community College next year in the defunct Van Curler Hotel, a town landmark.

Already an unusual job-training program is underway, the money advanced by the Chamber. Reimbursement is to come later from the state. It's the only known arrangement of its kind in New York.

"Two hundred jobs isn't such a big number," says Mr. Lawrance. "But it's a start. And every one of these men and women is the real disadvantaged. They'll be trained individually by the companies and they're guaranteed a job when they're considered ready."

A 60-unit town house project for large, low-income families is awaiting final approval by federal housing officials.

There are no labels on this Schenectady effort, no titles.

"It was something involving business leadership, the top leadership," says Mr. Scholtz, president of the Chamber when the movement started.

It has been characterized by a willingness of the businessmen not only to put in time, but to put up money.

To make sure the general community attitude supported their efforts, the businessmen have relied heavily upon opinions of a "community conference" sponsored by Union College. It draws a wide segment of the area regularly to discuss important local issues.

Both in Rochester and Schenectady, "involvement" of people on the issues and problems of their towns has been a key to success. It is "involvement" that can make these and any other programs work.

END

ORGANIZING FOR GROWTH

Gardiner Symonds, chairman, Tenneco Inc., tells how he mixed oil, cattle and packages to form one of America's industrial giants

In 1944 a federal regulatory agency inadvertently set the stage for the birth and development of what has become one of America's industrial giants—Tenneco Inc.

Tenneco traces its origin to the wartime Tennessee Gas Transmission Co. which was created to move badly needed natural gas from Texas to the Appalachian area.

Then, as now, Tenneco was headed by a tough, dynamic, aggressive enterpriser named Gardiner Symonds who today is still looking for new worlds to conquer.

Tennessee Gas was only two days old when the Federal Power Commission challenged the company on its rates and touched off a dispute which dragged on for years. As Mr. Symonds was to note later:

"I saw that with federal regulation our profits were going to be squeezed. I decided that we had better try to diversify to a point

where more than half of our business came from nonregulated businesses."

Diversification is the keystone of Tenneco's operations today. With assets of over \$3.6 billion, Tenneco's growing empire spreads out over oil, gas pipelines, packaging, chemicals, land, cattle, farm and construction machinery, and auto parts.

Despite their diversity all the pieces fall together neatly into what Mr. Symonds calls a "natural resource base." For example, gas is related to oil, oil and gas are related to chemicals, chemicals to land, and land to farm machinery.

Gardiner Symonds pulled off the biggest business coup of his career last year when he acquired for Tenneco the Kern County Land Co. of California in a \$432 million deal. Kern County Land embraces some 2.5 million acres of land—more than three times the size of Rhode Island

—with extensive ranching and agricultural operations. More importantly, about 40 per cent of the value of Kern County is in oil.

Under Gardiner Symonds' shrewd leadership Tenneco has become the only industrial corporation under 25 years old whose assets have soared above \$3 billion. In the past four years alone Tenneco's growth has been highlighted by a 71.5 per cent improvement in revenues and a 38.4 per cent gain in net income.

In the following interview with a NATION'S BUSINESS editor Mr. Symonds tells how an industrial conglomerate is put together and what makes it tick:

Mr. Symonds, how did Tenneco grow so fast?

We started out to find a market for natural gas, to perform a transportation service. And just as soon as we were in business and estab-



An alphabetical guide to Washington.

There's an unwritten law in Washington that one never call anything by its full name if initials can be used instead.

Never has an ordinance been so enthusiastically obeyed.

From the SEC to the FTC; LBJ to the CIA, Washington is a veritable alphabet soup of initials, acronyms and acrostics.

The bureaucrats themselves are sometimes stymied by the complicated governmental nomenclature.

And businessmen involved in government relations wince as they wade through complex reports prepared by obscure commissions with undecipherable names.

It is for those businessmen that Nation's Business is in business.

Each month, Nation's Business tells them what's happening in Washington that will affect their business.

And then we tell them what's going to happen.

And we're usually right because, frankly,

we know more about official Washington than most Washington officials. (We *are* the only business magazine published there.)

Our writers know who to see and where to find him; what questions to ask and which answers to check. And they not only know the full names of all those acronymous bureaus, but they also know what goes on in them.

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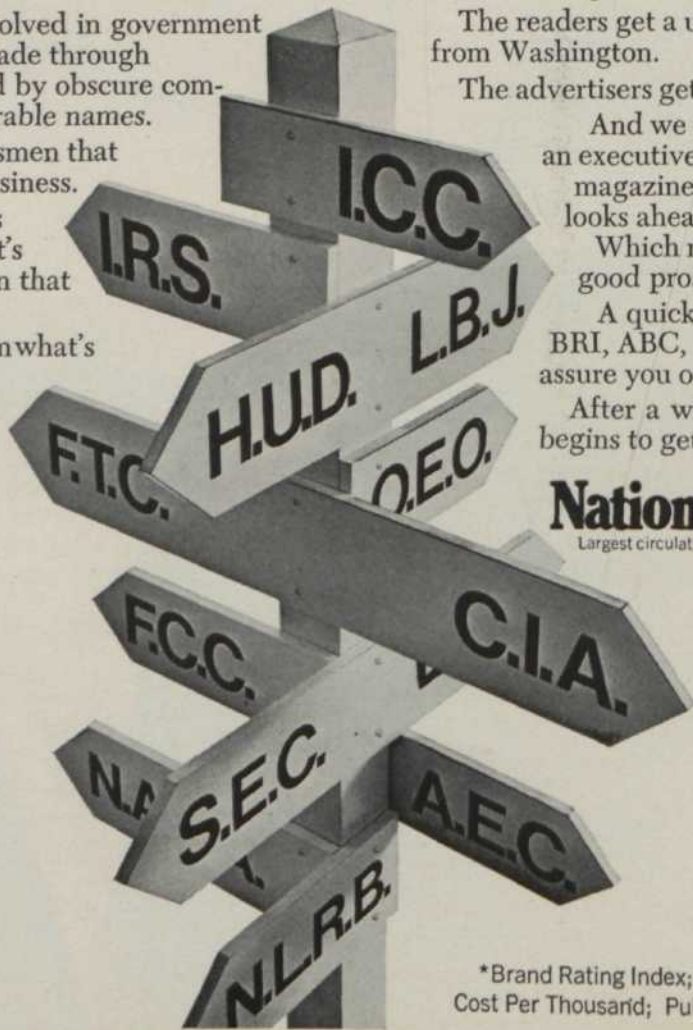
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lished, because of the heavy hand of federal regulation, we started to diversify and moved first into oil and gas exploration, production. Then we went into conversion, we call it, which is chemical.

From that, we went into packaging because so many of the materials that go into packaging are by-products of the chemical company. Everything we have gone into has been from a natural resource base. We have gotten there by a lot of internal building plus acquisitions, a lot of financing—all working toward this established pattern of a natural resource base.

You had some problems with government regulation in the very beginning, didn't you?

Yes, back in 1944, the Federal Power Commission filed a rate case against us before we even collected the first month's bills. We felt if the federal regulations were going to be as restrictive as that, and arbitrary, that it would be wise to have more of our stockholders' money invested in unregulated businesses rather than being wholly in the pipeline business. We realized that such new areas would be subject to competitive pressures; but, that when you made a dollar, you kept it.

With the Federal Power Commission, it's almost like renegotiating a contract. You just never know where you stand because the case can always be opened up. If they had followed a more equitable and enlightened policy, we could have grown a lot faster. The FPC is a bureaucratic body. It is jury, prosecutor and judge.

Because of the nature of federal regulations and the depth to which they go, I would feel much happier if I could just stay away from them. That is not possible.

The answer is to handle your affairs so that you accomplish what you can and not be afraid to take them on. But you do it by indirection rather than directly.

Is it true you sometimes acquire as many as three companies at a clip?

No, sir, we have made only a few major deals, like the Kern County deal. Kern County Land Company had some subsidiaries. Generally, we don't count the number of companies in our over-all organization. We look at it as having six major divisions. We also have related investments in insurance and banking.

Now, for good reasons, we have

probably 40 companies in the oil business, but it's because of geography. For example, if we were to drill a well in Costa Rica, we would form a subsidiary operating only in Costa Rica, because we wouldn't want to have properties in West Texas subject to foreign tax exposure.

Basically, the oil companies, regardless of the corporate shell, operate as a single company engaging in exploration, production, refining and marketing.

The chemical company, broadly speaking, engages in four major product areas.

Our packaging company has four major divisions. So we go to the functional approach rather than worrying about the corporate shells in which we are placed.

With Tenneco's diversification covering everything from ammonia to shipping boxes, from cattle to life insurance, does this sometimes seem unwieldy?

No. This gets back to our management concept of operations. Under myself and the president of the company are two executive vice presidents. One is for administration which is personnel, purchasing, customer relations, computer sciences, all of the so-called service functions.

The other executive vice president is in finance, which gives him the corporate secretary's office, because so much is related to corporate finance, treasury, budget, accounting, legal, and tax.

The executive vice presidents set the standards and check conformance to those standards. The president keeps things in high gear.

Each of the six divisions, as well as Philadelphia Life and Houston National Bank, run autonomously within the scope of those standards.

We look at the six divisions and make them profit-accountable.

All incentive compensation, all management decisions are made at the division level. We give them responsibility and hold them accountable.

What qualities do you look for in young executives?

Basically, the thing we want is a good education, not necessarily a very high education. We have our full share of Ph.D.'s in the appropriate places. But we believe a good education is basic.

More than that, though, we like to have a man with good common

sense, and on top of that, enthusiasm and a willingness to work. I also like to see people who receive a lot of pleasure and fun and satisfaction out of working. We want people who, in effect, will join the team and have the team spirit.

You have stressed that you want companies with good executives who will stay and run these companies for you. How is that working out?

By and large, the people who have come with the company have worked out exceptionally well. Lots of them have been promoted. We move these people around to the maximum extent their technical training will permit.

Is the manner in which Tenneco has diversified unique?

I don't know anyone else that has stayed as closely to natural resources. But this whole question of diversification is not unique. Other companies have done it. They have stayed in closely related areas.

For instance, probably the biggest conglomerate, if you want to use that expression, in the country today is General Electric. They have 14 major divisions. They all have a measure of relation to the other, although making household appliances and nuclear reactors may not seem too close. But there is, in a measure.

Some insist on thinking of you in terms of a pipeline company, even people in Wall Street. Isn't that true?

They still do.

Do you think that image is changing now that natural gas transmission accounts for only a quarter of Tenneco's revenue?

If it isn't, we are putting up a lot of money in advertising that is not going to pay off. We are hammering away at informing people of the larger percentage of our gross and net that comes from our unregulated businesses. We are hammering away at emphasizing our size and diversity because it emphasizes our greater breadth in these other areas.

What was at stake when you began looking to acquire Kern County Land Co.?

Oil, land use and manufacturing plants. We were in position to evaluate the oil. We evaluate oil properties every week. After the oil came the manufacturing companies, like J. I. Case and Watkins-John-

son. We knew their market value because we could take a certain discount and figure the money value. We knew what the current asset value was. We knew what their published figures were. And we knew from the nature of the individuals concerned that the figures were extremely conservative.

Walker Manufacturing, which was wholly owned, competes with many companies in similar lines of business, so it was easy to appraise it as a security analyst appraises it.

And that brings us down to the remainder of the package with a value to be assigned to the land. And on the land, there are things which go to make the land operate—cattle, farming, and industrial development.

When you were looking at Kern County, were you looking principally at the oil?

We looked at the oil values first. Then we put a value on the other things and said, "Yes." We knew the land was reasonably valued.

What happened to the price of Tenneco stock since Kern County came under the corporate umbrella?

Little or nothing. We have a saying around here, or at least I have, that we will take care of the earnings; someone else has to take care of the market.

Now, our earnings did not go up particularly because the theory of the Kern County trade was that we would give them their existing earnings in dividends from preference stock used to make the trade, and we would take our profit through increase in value.

You have a reputation for driving a hard bargain at the business table. Is this true?

No. I think I am the easiest guy who came along and everybody ought to be willing to trade with me because we give them the best proposition.

We have good analysts around here. We have alert men who work on trades, and I hope we know enough about them to make good trades. If you try to get the last dollar, you generally get trimmed.

Is it true that, when you put up your headquarters, Tennessee Building, instead of providing 200 free parking spaces for employees you installed instead commercial parking for 1,800 cars? And then you wanted a bank as a tenant, so you bought into the

Houston National Bank, which is turning into a substantial profit? And then started Tennessee Life Insurance Co. to write life insurance for your employees, and that also was profitable?

These were all ventures into what we call related activities for the benefit of stockholders. To park 200 cars used by the executive staff would cost us money.

Do you always look for these spin-off benefits?

Well, we always try not to overlook an opportunity. We did want a bank as a tenant in our new building. We did not buy into the Houston National Bank until later. We bought the charter to the old Merchants Bank in Houston because, under its charter, it could be moved anywhere in the city without having to go begging to the Banking Commission for permission.

As chairman of the board of the bank, what is your prime function?

I am an active chairman. I am not in operations. I am a member of the executive committee and active in business development.

The life insurance company you formed got off to a good start. Has it merged?

We formed Tennessee Life back in 1952, originally to carry our own retirement benefit plans and also some group plans that went with it. Over the years, we have expanded to the point where only 20 per cent is captive business compared to 99 per cent at the beginning.

Recently, we realized that we were becoming a big, very narrow, provincial company, operating principally in Texas and Louisiana, and near some of our company properties.

Then we had an opportunity to merge with the Philadelphia Life Insurance Co., which basically operates on the eastern seaboard and through the Middle West. The class of business made a very good mix and we now have better than 25 per cent of Philadelphia Life Insurance Co., which is many times bigger than Tennessee Life.

It's been said that much of Tenneco's diversification has been accomplished "poor boy" style and you have had to clobber your way up.

You might attribute that to the fact that we started out with small operations, and then started adding to them just as fast as we could

create the revenue. We would just build each one up, piece by piece.

For instance, we took over the Heyden-Newport Chemical Co. back in 1963 when it had \$65 million in sales. It will have \$250 million in sales this year under its new name, Tenneco Chemicals, Inc.

But if that is what you mean by "poor boy," it has taken a great deal of capital.

What is this new management concept in organization that was noted in one of your recent annual reports; how does it work?

It is our concept of the headquarters staff setting standards and coordinating these standards from one division to another among the six major operating divisions.

When you say "standards," do you mean goals?

In some sense, but also a standard of industrial relations contract, a standard computer operation, the incentive schedules, for example.

In other words, we don't hire people for the packaging company at the parent company headquarters. Packaging hires its own. But the employee benefit programs are coordinated and standard. It makes for nonconfusion.

Mr. Symonds, how do you make decisions?

Generally, you just say, "Get with it," or "Do it." That would be the way I would say it.

Let me put it this way—everything we do here, for a company our size, is most informal. We sit down and talk about it, we have all the facts we can get, and somebody says, "I think this is what we ought to do. We better get with it."

I can argue and say we would like to have 10 per cent growth pattern in anything we do, anything that we are going to put money into. When we are going to build a new plant, we put up this yardstick. But we don't always get it. Sometimes we get more.

But you set up a goal, and you work toward it. You stay in your general field, and on an informal, very much of a give-and-take basis, with the division heads, we make our decisions.

What has been the most satisfying experience in your business life?

Oh, they all blend together. But the most satisfactory thing to me has been the fun and pleasure in seeing something grow from nothing

to a pretty good-sized show in 25 years.

On the other hand, what has been the most disappointing experience in your business life?

I would say when you see individuals, men with the company who have great capacity, get to a certain point and have more money than they thought they would ever have and then say, "Well, I have all I want. I want to slow down and quit." It is this inability of people who you know have great capacity to be willing to put out or work to that capacity. Well, it's just like running a varsity team. You know you have an All-American halfback and all he wants to do is play defense, and, occasionally, he doesn't even really want to do that.

Do you have any techniques for trying to spark up people like that?

We work with them all the time. We don't do it with any formality. It's by personal contact. We try to do it by example.

How do you relax?

Well, for instance, you could be sitting here talking with someone and if I weren't in the middle of answering a question, I could sleep for 10 minutes at any time that I wanted to. I can catch short naps easily.

I play some golf, two or three times a month. I have a farm, but we use it mostly as something to get a complete break from what I am doing. But basically, I don't enjoy relaxing.

You get your relaxation out of working?

Yes.

I gather you spend just about half your business hours flying, don't you?

Yes. Of course, we are fortunate to have the jet airplane. You can cover a lot more ground now than before the jet airplane. For instance, I am going out of town tomorrow and will take this pile of papers in one briefcase. That pile over there will go in another briefcase. And it will all be read before I get home. I carry them around as another office.

Would you do anything differently if you were starting over again in the business world?

No, I don't think so. I think a financial background, a corporate background, is good training, and with it you can go a long way. If



Gardiner Symonds beside wall map showing locations of company holdings in oil, land, chemicals, packaging and other interests.

you go farther, it's because you were lucky enough to be at the right place at the right time.

You started out in the banking world, didn't you, Mr. Symonds?

Yes, at what is now the Continental Illinois Bank & Trust Company of Chicago. I could have gone two ways.

I could have gone into operating or I could have gone into analysis. And I went into analysis. Not by choice, but because they sent me there.

I understand you are a trustee of Stanford University, your alma mater, and also you are greatly interested in Harvard.

Well, I am a trustee of Stanford and also a trustee of Rice and on two visiting committees at Harvard.

Do you have any advice for the young man in college or just out of college, going out into the world?

I would say as far as I am concerned, business is the greatest game he will ever learn to play. It takes just as much patience, just as much drilling, just as much energy, as anything else you can do. And frankly, I think in the long run, if played completely, it will be every

bit as rewarding as any other field that he can enter.

With your interest in education, are you encouraged or discouraged with the present generation?

I am not discouraged with the present generation at all. I think they are a wonderful bunch of kids. I am thoroughly discouraged with various phases of university administration which tends to allow in the name of academic freedom three or four per cent of the faculty and student body completely to upset the climate in which a good education can be obtained.

It's the great permissiveness that has been coming down through the courts that makes me unhappy. Ninety-five per cent of the kids going to school are much smarter than we were and know better what they want to do than we did. I have no reservations about them. **END**

REPRINTS of "Lessons of Leadership: Part XXXIX—Organizing for Growth," may be obtained from *Nation's Business*, 1615 H St. N. W., Washington, D. C. 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance.

TOO MANY COOKS SPOIL THE PROFIT

Decision-making with committees can either make you or break you

A manufacturing company recently muffed an excellent merger opportunity.

"Three executives were exploring the deal," says the investment banker involved. "All three liked the looks of it. But not one would step up to the president and say, 'This is for us. Let's buy in.'"

The fault, according to the banker, lies not as much with the executives as with the president. He made the mistake of delegating his own decision to a group. The group, as groups often do, failed to act.

Still, dissolving committees doesn't automatically solve problems, say executives interviewed. While most managers agree that decision-making is essentially a one-man function, the group often plays a vital role in arriving at wise decisions and implementing them. Which leaves us with some key questions:

When should an executive make a decision exclusively on his own?

When should he bring others into the act?

And how many?

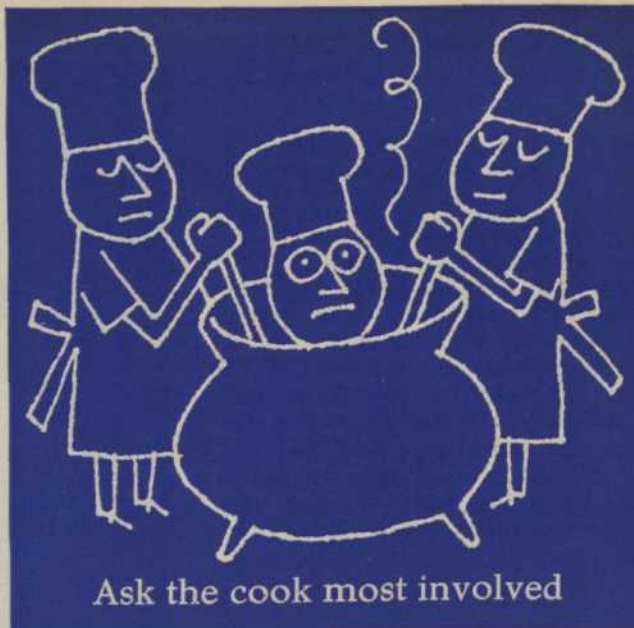
Since an executive is paid primarily for his ability to decide, these questions are of prime importance to every manager. Here are five guidelines that will help you make the right decisions.

1. Don't let the group decide.
2. Don't consult cattlemen about aerodynamics.
3. Do reward ideas.
4. Know how many cooks spoil the broth.
5. Cash in on the plus values of group participation.

Advise—not decide

It happened in a cosmetic company. The lab developed a new lipstick. The sample was reviewed by the product manager, the general manager, the advertising manager and the art director. One said the color was "too light," another "too pale," the third "too dull," the fourth "not just right."

Six samples later a similar variety of reactions was expressed. Number seven was finally approved, not with the enthusiasm that should accompany a new product, but with expressed reservations because



time had run out. The trouble here was not with the product. Off the record two of the managers admitted that they liked it very much. The problem lies deeper than that. In actuality, it is the president of this company who has the final say-so. On his word, the factory goes into production or not. But invariably the president's decision was based on the votes of the managers.

They were the ones who would be blamed if the judgment backfired. In truth, the president did not decide at all. He simply passed the buck, not to one man, but to four. The result was an understandable hodgepodge of confusion, exasperation and fouled schedules.

Group polling of this kind is not at all uncommon, says Larry J. Aubrecht, managing director, EBS Management Consultants, Inc. And, cautions the consultant, it invites all kinds of vacillation, personality clashes, scheduling delays and second-best decisions.

A utility's executive vice president agrees: "Groups have a knack for stifling initiative and originality. They tend to water down ideas until they conform to the majority view. Either that, or they rubber-stamp the opinion of the group's most outspoken member."

The way to avoid this is simple.

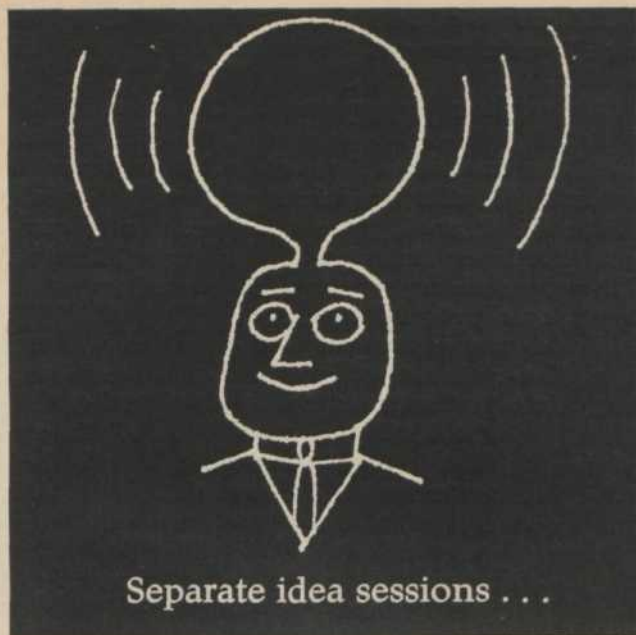
First, counsels Mr. Aubrecht, spell out individual job responsibilities for each manager from the top down. Then give him the authority to make decisions that matches his responsibilities.

Basic as this is, says the consultant, it's surprising how many companies ignore it.

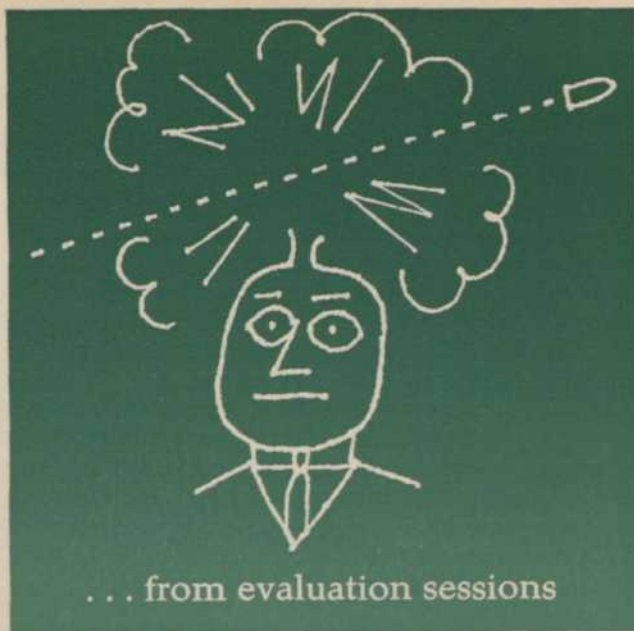
What decision maker must have

On the other hand, no executive can afford to make important decisions in a vacuum. He needs information and advice from experts. But too often, advice is confused with decision.

Take, as an example, a plant manager charged with the task of deciding whether or not to put a processing change into the works. Three departments are involved. Department No. 1 originates the change pro-



Separate idea sessions ...



... from evaluation sessions

DRAWINGS BY CHARLES A. DUNN

duced. Department No. 2 adds components to it. Department No. 3 puts on the finishing touches. To arrive at his decision, the plant manager confers with the foreman of each department. No. 1 explains that under the proposed system it would take his people two minutes more to make each item. No. 2 says that the change would have no effect on his operation. And No. 3 points out that under the new system, his crew would save four minutes on each item made.

"In probing the situation," says the consultant, "all the plant manager can do is elicit the information and expert judgment his foremen are qualified to provide.

"If he tried to go beyond this and solicit a vote, he'd run into confusion. Foreman No. 1 would be opposed to the change. No. 2 would be noncommittal. No. 3 would be all for it.

"The responsibility for pulling together the data, and finally standing back to view the situation objectively, rests with the manager alone. This is the true decision-making chore. The rest is merely research.

"The trick is in keeping the two apart."

Whose task is it?

One problem remains. Not in all cases is it clear precisely where the decision-making responsibility should lie. Job responsibilities sometimes have a way of overlapping into different areas. When this occurs, T. F. Morris, vice president of marketing, SKF Industries, Inc., is in favor of getting the man on the scene who is most concerned with the situation to shoulder the decision-making task.

"He's the guy who generally knows most about a given situation," says Mr. Morris. "And if he doesn't, he should. It's a management fable to think that today's executive could know more than all his staff specialists. To make good decisions and develop good decision makers, I would recommend forcing the decisions downward so that they are made at the lowest component level."

"Even the best executive needs decision-making help

at times," says Stanley Messing, general sales manager, Minor Rubber Co. "He may require technical advice from his engineer, fiscal counsel from his controller, marketing guidance from his sales director.

"But half the battle," he adds, "lies in properly identifying the need."

The executive's task is twofold. First, to diagnose the kind of decision he is dealing with. Next, to determine the kind of help he'll need in arriving at a sound judgment. It's not always easy. At times, says Mr. Messing, it could result in conflicting pressures from within the corporate structure.

Bell & Howell Co. Chairman of the Board and Chief Executive Officer Peter G. Peterson gives one example of this: "To the stockholder who sees, feels and touches current earnings, there is what some people would call a preoccupation with current operations. However, to the division manager who is trying to sell the chief executive on the need for a major investment in some future programs, we would hear an eloquent plea for the need for sacrificing current earnings in favor of the future.

"The answer, of course, is that the chief executive must try to do both. The information system he sets up must reflect the dual nature of his responsibilities."

Cattlemen and aerodynamics

If the executive picks his counselors and data sources on a haphazard basis, he is likely to woo confusion when what he really seeks is clarity.

A good illustration occurred in an aircraft company. The president had a speech written for him by an outside ghost-writer. The president liked the speech. But the banquet involved was a major event. Important dignitaries would be present, and in any case, speechmaking gave this executive the jitters.

Feeling on uncertain ground, he asked his sales manager, financial vice president and vice president of manufacturing for their comments.

He got more than he bargained for.

Two of the managers offered several suggestions for

TOO MANY COOKS SPOIL PROFIT

continued

what should be added and what should be left out. The sales manager went a step further. He took a blue pencil to the draft. Understandably, the result was a patchwork jumble. Three drafts later the president had a case of the blinks. Confronting his public relations director, he bluntly asked what he thought. This manager took a deep breath and said that in his opinion, except for a few minor changes, the first draft was just fine. The president gave him a hard look, reread the draft, and thoroughly agreed.

Of all the managers brought into this decision only one, the public relations director, was competent to offer counsel on the subject, because he was working in his own particular area of expertise.

Don't consult a cattleman about aerodynamics. Talk to an aeronautical engineer.

Do reward ideas

A thorny problem came up in a Midwest bank. The rather authoritarian president called some of his executives together and tossed the problem in their laps.

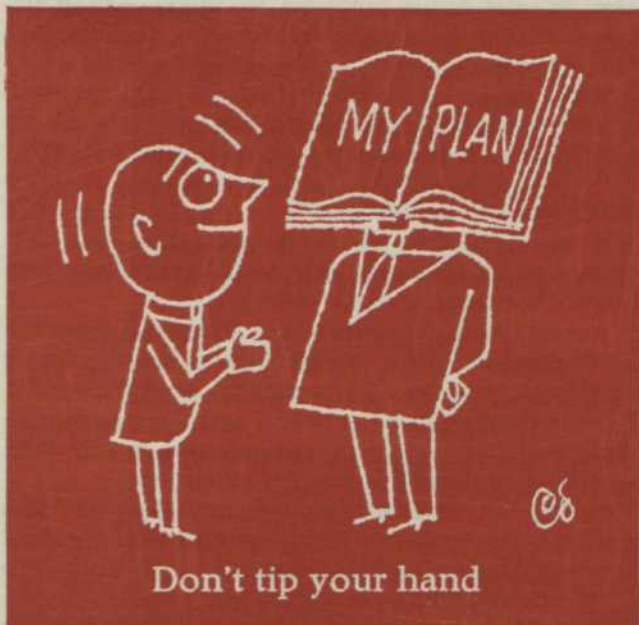
He told them: "I want to hear any thoughts on this subject that pop into your head, however wild they may seem. Our sole aim is to work together as a problem-solving team to come up with the best possible solution."

The president was a persuasive man. He elicited some interesting thoughts which he used in making his final decision.

Unfortunately, his decision backfired.

Then heads began to roll, though no manager in the group session was officially indicted, the indictment, handed down by the president via latrine comments and his general attitude, was real enough. Managers who had advocated a certain action were given the cold shoulder.

One who had spoken out against the planned decision became a hero.



Said one victim, off the record: "I should have realized it would turn out this way. The boss had me hoodwinked."

This complaint is more often felt than voiced. A great deal of lip service is paid to the ideals of free thinking and uninhibited expression. But unless words are backed by action, the free flow of ideas will dry up.

John W. Cogswell, personnel administrator, management training, American Telephone and Telegraph Co., stresses the importance of the reward system in regulating a fear-free climate.

"If the organization sees that pay increases and promotions go to those who never rock the boat, keep their noses clean and rarely make mistakes, then this is the kind of behavior the organization will follow.

"On the other hand, if the climate is such that people feel free to express their ideas and feelings, if they are encouraged to offer suggestions even though they may be in conflict with those of the boss and if the reward system truly recognizes the innovator as a contributor to improved operations rather than as some kind of a nut, then the executive can stop worrying about getting any rubber-stamp approvals for his projects and decisions."

Vern H. Holmes, vice president, field relations, Sentry Life Insurance Co., says, "If there exists within the group a high degree of trust and confidence, there is likely to be free and open comment.

"The group, however, must avoid evaluation during brainstorming, so that all new notions and ideas can be brought out and presented before they are evaluated, as opposed to the practice of shooting down every new idea as it comes up."

Needed: Freedom from fear

"Another important ingredient in the climate should be a complete freedom from fear of penalty as a result of disagreement with the 'chief' or with peers," Mr. Holmes adds.

"Finally the climate can be effective in preventing rubber-stamp approval if emphasis can be continuously directed at what is right rather than who is right."

Mr. Morris of SKF Industries sees decision-making primarily as a learning process.

"The idea is to train people to identify the problem, dig for the facts, see what the alternatives are. Here is where intuition, guts, imagination and judgment play major roles.

"In turn, management must appreciate where precise measurement leaves off and intuition and judgment begin. Into this decision-making mix go human qualities not yielding to quantitative measurement."

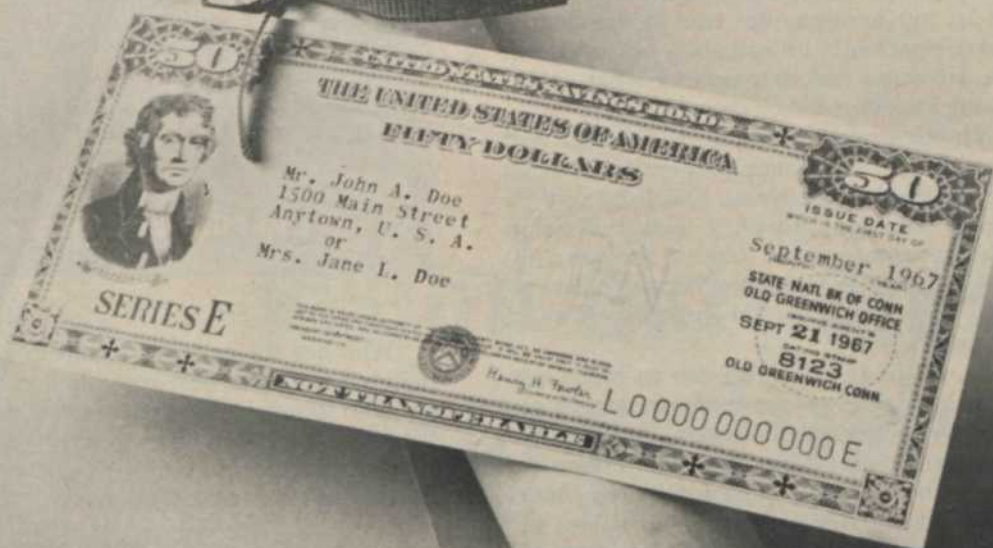
A further caution. If you are the boss, and you're seeking advice, be careful not to tip your hand.

Letting subordinates know your personal preferences, says Minor Rubber's Mr. Messing, is a good way to defeat your purpose.

And you'd be amazed at the ingenuity some people display to find out how the boss is thinking.

Mr. Peterson of Bell & Howell adds:

"If the president of a corporation asks for certain information, and it is known that he would look kindly upon data that would confirm his preconceptions,



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TOO MANY COOKS SPOIL PROFIT

continued

there is the risk that some of his subordinates will generally do everything possible to bring him the data that confirms his views—or ignore areas of information that are not being asked for or measured.”

“Decision-making in business,” says Sentry Life Insurance Co. Vice President Holmes, “has become so complicated and the necessity for support and commitment so vital, that group participation is essential.”

“True, some groups do operate ineffectively. But the solution, in my opinion, lies not in concluding that group participation is unworkable, but rather in analyzing the situation and determining what conditions are causing the effort to bog down.”

Mr. Messing cites one technique that works well for his company: “We find committee meetings without top management’s presence an excellent way to 1. Avoid rubber stamp approval, 2. Get a decision where the boss’s presence might stand in the way.”

“This is a good way to avoid the disadvantages of group review, yet cash in on the unique values of cooperative thought.”

Getting back to the question of who to bring into the decision-making act, we are confronted with another frequently experienced limitation—time.

Mr. Holmes comments: “Most often the pressure of time determines the extent of participation by others in reaching a decision. If the situation just does not allow time for the executive to draw on resource people or to allow others to influence the decision, he must, of course, make the decision alone.”

“However, it is most likely that the less time invested in allowing others to participate, the more time you will need to implement the decision, to get action and support.”

How many cooks?

EBS Consultant Aubrecht calls to mind a manufacturing company that once spent \$6,000 to decide between two machines, either of which would have done the job. Several executives and engineers, as well as outside consultants, were brought into the act. Which was all well and good, except that the price differential between the two units being considered was only \$2,500. How many cooks are too many? In large measure, the answer depends on the amount of net yield expected.

It is essential, says Mr. Peterson of Bell and Howell, that the chief executive assess the costs of the information system against its gains, balancing the likely positive effects of additional information against its cost. The question still presents itself: How much information is enough?

One authority says it’s the point where, “even if you researched the situation down to a gnat’s eyebrow, you would still feel with some degree of comfort that this is the decision you would wind up with.”

In determining whom to involve in the decision-making act, Mr. Cogswell of AT&T says: “It’s not so much a matter of how many cooks or how few. Rather the questions are:

“Who will be affected by the decision?



Avoid rubber stamp approval

“Who has the experience and information that will help me reach the best possible decision? The associate who is asked to participate in a problem-solving meeting because of status, seniority, friendship or custom—rather than because of what he knows and can contribute—is one cook too many.”

Cash in on plus values

Most managers, it appears, are only too happy to take a swipe at group decision-making.

“As president of a company,” says Ex-Cell-O Corp.’s H. G. Bixby, “I am not a believer in endeavoring to reach decisions through committee action.”

Here’s what successful managers recommend:

Get together persons who can define the problem and contribute to its solution. Then get the facts and, with the help of the group, establish all possible alternatives. Discuss the alternatives and get advocates for each. If no one takes a position, become the devil’s advocate and argue one or more of the proposals. This will result in an abundance of information on which to base your decision.

AT&T executive John Cogswell says:

“One thing that distinguishes an effective executive is that he is acutely aware of the difference between problem-solving and decision-making.

“Problem-solving includes the steps which should be taken before making a decision: Defining the problem, gathering ideas or alternative solutions, testing these alternatives for their possible consequences.

“Decision-making is the final step—that of selecting the solution. This final step is the sole responsibility of the boss.”—RAYMOND DREYFACK

REPRINTS of “Too Many Cooks Spoil the Profit” may be obtained from *Nation’s Business*, 1615 H St. N. W., Washington, D. C. 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.

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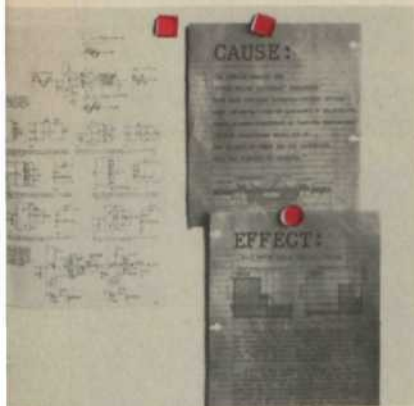
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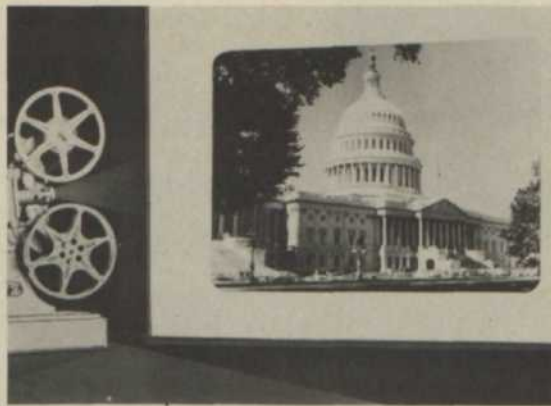


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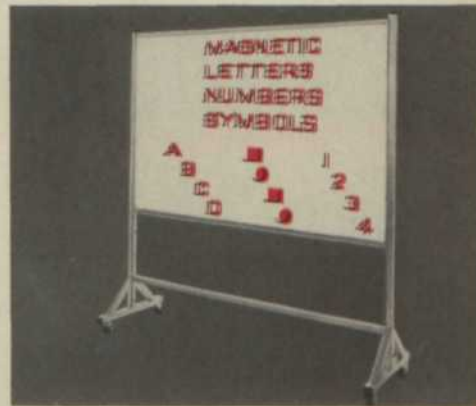
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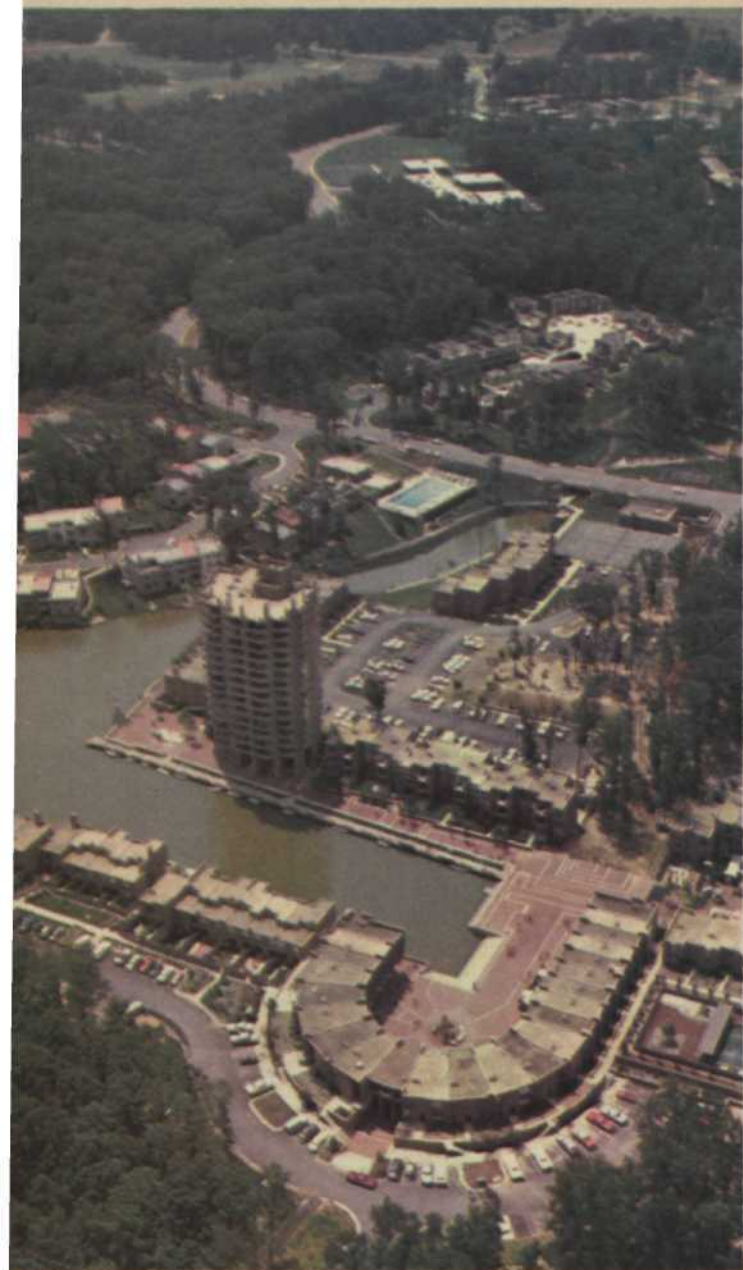
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Contemporary sculpture at Columbia, Md., is one of many cultural details planned for the community.

← *Reston, Va., pioneered in the concept of building a new town from scratch in the wide open spaces.*

Developers of Lake Havasu City fly prospective home-buyers to the remote new town in Arizona.



RISE OF THE NEW CITIES



All across America, private businesses are competing to rebuild existing cities and construct whole new towns

A new wave of competition is sweeping America.

The competitors are some of America's biggest corporations: Humble Oil, Westinghouse, Gulf, Goodyear, Alcoa, U. S. Steel, Kaiser and scores more. What they're after is land—to turn into gleaming new downtowns and whole new cities as quickly as they can.

Why the rush? Experts say that in the remaining years of this century we'll have to build the equivalent of all that has been built in America since the Pilgrims set foot on Plymouth Rock.

Every month we add roughly 300,000 people (a city the size of Toledo) to our population. We make a Philadelphia-sized addition every year.

Corporations that had never been directly involved in land development are finding it promising—perhaps the best hedge against inflation. But as with any large opportunity, there are considerable problems.

Before there's any return on their investment to "new town" builders, vast sums of patient money must be spent to buy and master-plan land, provide the necessary streets, utilities and town centers.

But despite the gamble, private enterprise is moving ahead on the job of building new cities within existing urban areas and new towns in far-off pastures where livestock once grazed.

C. V. Wood, Jr., blunt-talking president of McCulloch Oil Corporation of California, says about new towns: "I don't have any fears about the future; we plan to start a new one every two years." Before joining McCulloch, Mr. Wood helped build Disneyland. At McCulloch, he has directed construction of Lake Havasu City, a new town that's blossoming in the Arizona desert.

John B. Turner, Jr., president of Friendswood Development Co., a subsidiary of Humble Oil, believes new towns "may well be the way for metropolitan areas to absorb the tremendous growth we expect without repeating past mistakes." Mr. Turner had no sooner finished directing construction of Humble's skyscraper office building in downtown Houston than he was given charge of its Clear Lake City-Bayport new town complex that's taking shape on 23,000 acres of ranchland, 22 miles to the southeast.

Aluminum Co. of America is more interested in building new cities within existing cities and has 11 major projects underway across the country. "From a financial standpoint," John D. Harper, president, tells NATION'S BUSINESS, "I don't think we can lose—especially in an inflationary period."

Then the socially concerned Mr. Harper touches on a more fundamental point: "A corporation can't exist in a vacuum; it has to accept the responsibility of citizenship."

And rehabilitating dilapidated urban areas is a way he believes Alcoa can meet this responsibility.

Before detailing how, where and why private enterprise is building new towns, it's necessary to define the term. A "new town" must be a total community, with acreage for residential, commercial, industrial and educational uses. The employment base, more than anything else, differentiates it from other real estate subdivisions.

The new towns that are proliferating today all across America aim to make the highest use of available land.

Whether they choose to cluster homes closely together or pile them on top of each other, they provide common "green space." By subdividing a new town into smaller villages with a central core, planners are bringing back to life the congeniality of small-town living. On the other hand, by attracting industry, offices and big stores to the central town, they take on the excitement and bustle of a city.

Theoretically most new towns, when complete, will provide nearly enough jobs to support their population. But in practice, many people who live in a new town will continue to work elsewhere and many people who work there won't move there.

For those who do, tedious commuting is gone. There's little need to "get away to the country" be-

PHOTOS: HANK DE LESPINASSE
WILLIAM GRAHAM
J. WAYNE HIGGS
NEIL KOPPEL
MARC ST. GIL



RISE OF THE NEW CITIES *continued*

cause you're there. Chances are you'll only have a short walk or drive to church, supermarket, office, golf course, riding stable, theater or fishing lake.

Take a closer look at some of the new towns that business is building:

Clear Lake City-Bayport, Texas. This residential, commercial, educational and industrial complex close by Houston is clearly on the move now after solving a fistful of problems. "We had a lot to learn, and now we think we've learned a lot," is how M. A. (Mike) Wright, board chairman of Humble Oil, puts it. Humble is the parent corporation of the new town.

Back in 1938, Humble bought, for its mineral value, a tract of land known as the West Ranch from a flamboyant Texas multimillionaire, Jim West, who acquired the nickname of Silver Dollar Jim because of the joy he got from tossing the cartwheels around.

The property totaled about 30,000 acres, roughly three fourths the size of the District of Columbia. By the mid-1950's, a successful oil exploration program had defined the productive acreage, leaving 23,000 acres for other use.

Humble went to Lehman Brothers of New York, which recommended that the oil company develop an industrial complex that would create new, long-term markets for its fuels and petroleum products that

were being manufactured in Humble's nearby Baytown refinery.

Lehman further suggested that once the industrial activity had created enough of a job base that Humble develop a new town. Humble agreed; but events reversed the order of development.

For in 1961, the National Aeronautics and Space Administration decided to build its Manned Spacecraft Center on a site selected out of Humble's West Ranch properties. "This caused us to start Clear Lake City, the residential and commercial part of the new town development, first," recalls John Turner, the easy-talking Oklahoman who is in charge of the project now, but wasn't then.

Construction of Clear Lake City began in 1962, as did construction of the Space Center. Two years later, Bayport—the heavy industrial side of the new town—got started, to assure a broad economic base for the area and to knock out total dependency on NASA for future growth.

At first residential activity bogged down. Only medium-priced, single-family units were built—no apartments, no town houses. And, Mr. Turner believes, although the homes were well constructed they were too similar.

New home prices now start at about \$18,000 and go up to about \$45,000.

Apartments and town houses are

being built and rented as fast as they're completed. The over-all result, Mr. Turner tells NATION'S BUSINESS: "We've turned the corner; we made a profit last year and I don't anticipate any major problems from here on out." He expects residential lot sales will top 600 this year and should be up to 1,000 annually in a couple of years.

While the success of Clear Lake City needed several years and some turning around to accomplish, the 8,750-acre Bayport industrial complex started fast, kept its momentum and now, in John Turner's words, "is five years ahead of schedule." At this rate, he expects to be out of the business of selling industrial land by 1975 or '78.

Although users wouldn't come till later, Humble's subsidiary got off on the right foot by building a channel before anything else was there. The channel gives industries access to 29,000 miles of navigable rivers and inland waterways.

Today, nearly 3,000 acres have been sold or optioned to industry. Enormous chemical plants proliferate.

Companies like Celanese Chemicals Division of Celanese Corp., which bought 1,000 acres and already has the first unit of a \$50 million plant on stream; FMC Corp., which is building on 243 acres. Some of the other companies which have selected Bayport sites: Lockheed Aircraft, ARCO Chemi-



cal, American Cryogenics, Velsicol Chemical and Lone Star Cement.

Columbia, Md. The gently rolling farmland about half way between Washington, D. C., and Baltimore is rapidly changing its personality. Instead of plowing and planting there's now excavating and building. It's all because James Rouse, a successful mortgage banker and developer of shopping centers, decided that's where he'd erect his new town.

Now, about a year after the first "Columbians" moved in, well over a thousand people live there. Thousands more stream in on weekends to have a look-see or to hear the National Symphony in summer concert. Ultimately, it's to be a town of 110,000 people.

From the first, little was left to chance at Columbia. Years before the first spadeful of dirt was turned two summers ago, teams of specialists were analyzing the market, determining people's tastes. An economic model was set up that today guides development of the town.

Industrial development is moving forward, and no wonder. Baltimore is basically a manufacturing city, with an excellent port. Aside from government, Washington's basically a research and development city. Locate a new town halfway between the two and you have a varied labor supply. The access between Balti-

more and Washington will be made even easier in a couple of years via a new interstate highway.

It's these and other points that Thomas C. Wolff, Jr., Columbia's ebullient industrial land sales chief, makes to sell property.

General Electric Co. recently took option on 1,000 acres at Columbia for a major appliance manufacturing and warehousing complex. Eventually, the facility is to employ 10,000.

Eastern Products Corp., a major manufacturer of drapery hardware, is operating on a 50-acre site now and expects to employ 2,000 by 1971. Hittman Associates, a research and development concern, opened up at Columbia last autumn. Others, such as Ametek and Merck, Sharp and Dohme have signed up.

Also, a four-year liberal arts college named for Dag Hammarskjold, the late Secretary General of the United Nations, will locate at Columbia. The college expects to enroll its first students in 1970.

Litchfield Park, Ariz. During World War I, when German U-Boats threatened to cut off the supply of Egyptian long staple cotton needed for truck tires, Goodyear Tire & Rubber Co. began growing some of its own cotton on 12,000 acres of land, 18 miles west of then small Phoenix, Ariz.

Most of that land is still being farmed for cotton, citrus and forage

crops. But Goodyear has committed the land to a higher use, which is already taking shape.

In 15 or 20 years, Goodyear expects about 100,000 people will be living there, in its new town of Litchfield Park.

Following a master plan laid out by Victor Gruen & Associates, attractive houses and apartments are springing up. A network of bike and walking paths lace the residential area to shops in this first of 12 planned villages.

Industry is being attracted to Litchfield Park, but one of its biggest businesses may well turn out to be education.

Goodyear donated a 525-acre site within the town to Arizona State University. A branch of the university is due to open in 1970, and plans are for an eventual enrollment of 15,000.

Lake Havasu City, Ariz. For a quarter of a century after Parker Dam was built in 1938, the 100-square-mile Lake Havasu that was created on the lower Colorado River in Arizona was far off the beaten path and visited only infrequently by hardy outdoorsmen. After all, it was 235 air miles east of Los Angeles and 150 air miles northwest of Phoenix.

But industrialist Robert P. McCulloch and designer-master planner C. V. Wood, Jr., envisioned something more than a mesquite-



RISE OF THE NEW CITIES *continued*

covered plain sloping gently upward from the shores of Havasu. About four and one-half years ago, they announced plans for a new town called Lake Havasu City.

But there was no place for construction workers to live, no way to feed them, and the nearest small town with any services at all was 42 miles away. Messrs. McCulloch and Wood brought the workers in, housed them in barracks and fed them mess-hall style, built a trailer park and community center and a road connecting the site with Route 66.

The gamble has paid off. Today, Lake Havasu is a city of hotels, restaurants, hundreds of homes, miles of boulevards, light industry, a busy "downtown" commercial area and recreational facilities that are attracting hundreds of thousands of vacationists and sports-minded visitors annually.

The city's 26-square-mile, mountain-surrounded site is master planned for a projected population of at least 60,000, with a quarter of its area set aside for parks and greenbelt.

More than 125 business enterprises are in operation and more than a dozen construction firms are working to add new homes and apartments to the city's nearly 1,000 dwelling units. Already, nearly 4,000 people have moved there.

It took ingenuity to get many of these people to pull up stakes and

move to what still has to be considered a remote area. McCulloch Properties, a subsidiary of McCulloch Oil Corp., decided on a "see before you buy" technique and launched its own "airline" to fly prospective purchasers to and from Havasu.

Partly to seed an industrial base for Havasu, Mr. McCulloch has said that future expansion of his chain saw, coil and carburetor business would take place at Havasu; already, he's built four plant facilities there.

Vernco Corp., a manufacturer of power tools, is building a multi-million dollar plant that will soon employ about 200 workers.

Mr. Wood tells *NATION'S BUSINESS* that the profitability is much higher in land than the parent corporation's other endeavors. And the company is planning another new town on nearly 18 square miles of ranch land 20 miles northeast of Phoenix.

Irvine Ranch, Calif. Of all the new towns, Irvine Ranch is the largest in land area; its 88,000 acres make it four times bigger than Manhattan Island. The master plan for its development stretches over 50 years.

But already, in less than eight years, a lot has happened. More than 30 companies have located at Irvine, and another 30 or so are on the way.

Irvine enjoys at least one asset

most of the other new towns don't—debt-free land. The ranch was put together 100 years ago, and Irvine Co. has kept it pretty much intact since.

The decision to divert the ranch to new-town development was at least accelerated by higher property taxes as Southern California land appreciated.

The ranch takes up a fifth of all the land in Orange County, just south of Los Angeles.

Westlake Village, Calif. Thirty-five miles or so northwest of Los Angeles, the new town of Westlake Village is burgeoning. Situated on 18 square miles of land, it has more than 2,500 residents and has chalked up about \$35 million in sales.

This also used to be a ranch. Daniel K. Ludwig, who owns 90 per cent of American-Hawaiian Steamship, bought it for \$32 million seven years ago. A division, American-Hawaiian Land Co., owns and is developing Westlake. Home prices stretch from \$27,000 to \$75,000, but John Notter, youthful, Swiss-born president of the land company, says some new ones will be priced at \$25,000.

Industry likes the proximity to Los Angeles and other population centers. Burroughs Corp. is moving into a \$22-million plant which will produce computer components and eventually employ 2,000. Bunker-Ramo Corp., another computer



PHOTO: MASC ST. GIL

Booming Industry Plaza at Clear Lake City, Texas, typifies features of new towns that are being built by business.

Once remote Lake Havasu City, Ariz., now a mecca for tourists and industry.

Network of scenic bike and walking paths enhance village of Litchfield Park, Ariz.



PHOTO: WLS GRANT



RISE OF THE NEW CITIES *continued*

maker, plans to move some of its manufacturing to Westlake.

Coral Springs, Fla. Across the continent, in Florida, Westinghouse Electric Corp. got into the new town business a little differently. It acquired intact the management and marketing staff of a leading south Florida development firm.

The main reason the company moved into the market, R. Wayne Nelson, Westinghouse's articulate, bearded urban planning director explains, was to provide a full-scale "urban laboratory" for testing its skills and products. But, he adds, "there are definite profit objectives that have been more than satisfied so far."

Ultimately, the 10,400-acre new town is to have 60,000 residents. Westinghouse is "seeding" the industrial part of the tract with a plant of its own.

"We simply can't permit the past to become prologue," Mr. Nelson says. "We must build new cities in a better image, making careful use of our land, combining beauty with utility. And despite the obstacles, we must rebuild the old cities to restore them to a new kind of greatness."

Westinghouse, like others, is actively involved in new and old cities. This spring it announced formation of a subsidiary, headquartered in the nation's capital, "to develop, build and sell low-income housing under federally supported programs and to build, rehabilitate, operate or manage urban projects."

Reston, Va. In the gently rolling hills of Virginia, 18 miles west of Washington, D.C., new town building is getting a chance.

A subsidiary of Gulf Oil is building the new town of Reston—perhaps the best known of all the new town efforts in this country.

Conceived and developed by Robert E. Simon, whose initials form the first syllable of its name, Reston has been praised by architects and planners since construction started four years ago. But sales and rentals lagged. The reasons: Tight money, most homes were confined to the \$35,000-plus price range and much of the architecture was so bold people either loved it or hated it.

Last autumn, Gulf took control

of the 7,400-acre Reston and it's moving ambitiously to provide more choice in price and design to buyers.

Drive through Reston today and you can see that construction is picking up.

More than 20 per cent of the industrial acreage is either built on or acquired. A real shot in the arm will come when the U. S. Geological Survey builds on an 85-acre plot it has bought and moves 2,400 employees there.

Valencia, Calif., being developed by the California Land Co. 30 miles northwest of downtown Los Angeles, is turning the 44,000-acre Newhall Ranch into a town that aims for an ultimate population of 200,000. North of Valencia, near San Francisco, **Foster City** is well on its way toward a population of 35,000. Near Reston in Virginia, U. S. Steel is backing 1,760-acre **Sterling Park**, whose final goal is 3,500 single-family homes, 2,000 town house or apartment units, and commercial and industrial areas.

In Orange County, California, the new town of **Laguna Niguel** is rebounding from several years of disappointing sales. And nine miles northeast of downtown Kansas City, Mo., the Norfolk and Western Railway is a partner in developing 1,200 acres into a new town called **Seven Hills North**.

With the trend toward new towns is another to build new cities within existing cities. **New Orleans East** until recently was a 32,000-acre (50 square miles) tract of land, largely undeveloped, within the corporate limits of the city of New Orleans.

The land, owned by the Murchison and Wynne families of Dallas, is being converted from tidal swampland to a new city. Levees are being built and home buyers and industry are moving in.

Near Pittsburgh, Alcoa is rebuilding the dilapidated North Side into **Allegheny Center**, a multibuilding complex of stores, offices, apartments and town houses.

In West Los Angeles, Alcoa is putting together **Century City** on land that used to be a movie lot. An 88-acre business district holds office buildings, shops, restaurants and a 20-story, 800-room luxury hotel.

Four high-rise apartment buildings are already in place, and even-

tually 12,000 people will live at Century City.

Savin Brothers, Inc., of Bloomfield, Conn., plans to turn some 400 acres just six miles from downtown Hartford into a residential, commercial and industrial community called **Parkcentre**.

Although they don't fit the total definition of new towns or cities within cities, hundreds of major developments that meet some of the criteria are emerging. For instance, there's **Rotonda**, a recreation-oriented community of more than 5,000 acres, 18 miles northwest of West Palm Beach, Fla. To be developed by Palm Beach Heights Development and Sales Corp., its central core of buildings would be encircled by homes, waterways and eight golf courses.

Levitt & Sons, Inc., America's biggest homebuilder, has begun construction on **Belair Village**, just northeast of Washington, D.C. Adjacent to a large residential development Levitt has already built, Belair Village will cluster seven neighborhoods around a downtown commercial area.

But Levitt doesn't consider the project a new town because it lacks an industrial base.

Half-way between Los Angeles and San Diego, the 87,500-acre Vail ranch is being jointly developed into a master-planned agricultural development called **Rancho**.

Partners in the ambitious project are Kaiser Industries, Kaiser Aluminum & Chemical and Penn Central.

Fred Greenlaw, vice president and general manager of Westwood Properties, a Kaiser Aluminum subsidiary, explains that the intent is to elevate the land to its highest agricultural value.

The plan is working. Acreage that for years had been used only for grazing or growing barley is being turned into vineyards or citrus groves. Buyers range from individuals to large corporations. The biggest single land purchase came earlier this year when Boise-Cascade Corp. bought 6,090 acres for development as recreation-oriented sites.

And so the competition goes on—competition to turn a profit for shareholders but also to make sure that past mistakes in city and suburban building aren't repeated. **END**

HOW FUTURE PRESIDENT COULD BE HANDPICKED

When the two political parties meet in convention this month they will set the stage for the election of the first Vice President in history who may be able to practically handpick a future President.

This results from the ratification last year of the Twenty-fifth Amendment to the Constitution setting up machinery to handle Presidential disability and for filling a vacancy that may occur in the Vice Presidency.

Here is why the man elected Vice President in November assumes a role never accorded any of his predecessors:

Let us say John Smith is that man and he takes office along with the new President in January. Some months pass and the President dies, resigns or is removed from office. John Smith ascends to the Presidency. Up to this point it always has been done this way.

Now, under the new system, President John Smith is permitted to name a Vice President who must be confirmed by a majority of the House and Senate. If tradition follows, the new President has no trouble getting almost anything he wants from Congress and the nomination of his handpicked Vice President sails through handily. He then could well succeed to the Presidency as have others when the President has died in office.

The importance of this was brought home vividly in recent times. Of the four Presidents immediately preceding Lyndon Johnson, Franklin Roosevelt and John Kennedy did not live out their terms. Dwight Eisenhower was stricken with a serious heart attack. And Harry Truman was the target of an attempted assassination.

Eight of our 35 Presidents have died in office. On 16 different occasions, spanning more than 37 years, we were without a Vice President. Eight Vice Presidents moved up to the Presidency. Seven Vice Presidents died in office and one re-

signed. By sheerest chance there has never been a simultaneous vacancy of the two offices during a single four-year elective period.

Under the Twenty-fifth Amendment the United States can now also come to grips with another ambiguity in the Constitution—what to do when a President is obviously incapable of continuing in office. This may take the form of a serious physical infirmity or even mental illness. But in this age of push-button warfare, Presidential “inability” takes on other dimensions. As modern Presidents travel more and more abroad, the question naturally arises: Is he able to carry out fully the duties of office half a world away?

Because of the vagueness of the Constitution Vice Presidents in the past have been reluctant—some adamantly opposed—to take over in instances of Presidential inability.

In 1881, President James Garfield was shot by a deranged office seeker. He lingered for 80 days and at no time was able to perform his Presidential duties. Vice President Chester A. Arthur refused to act to succeed Garfield for fear he would be accused of usurpation.

In 1901 the government again came to a standstill when an assassin's bullet cut down President William McKinley. McKinley lived for eight days and here, too, his Vice President did not assume control of government.

But the most dramatic instance occurred when President Woodrow Wilson suffered a series of strokes in 1919 as he campaigned for the Versailles Peace Treaty. During the 18 months the President was seriously ill, the affairs of state were actually conducted by his wife, his personal physician and the Cabinet. Mrs. Wilson largely decided whom the President might see and for how long, and she screened state papers intended for Mr. Wilson's attention.

During the President's extended

illness he did not meet with his Cabinet for eight months. Twenty-eight bills became law by virtue of his failure to act on them. Nor was he able to receive new foreign ambassadors as provided for in the Constitution. Some historians believe the Versailles Peace Treaty might have been ratified if President Wilson's physician had not blocked a visit of Senate leaders who felt they had worked out a compromise with Senators opposed to the treaty.

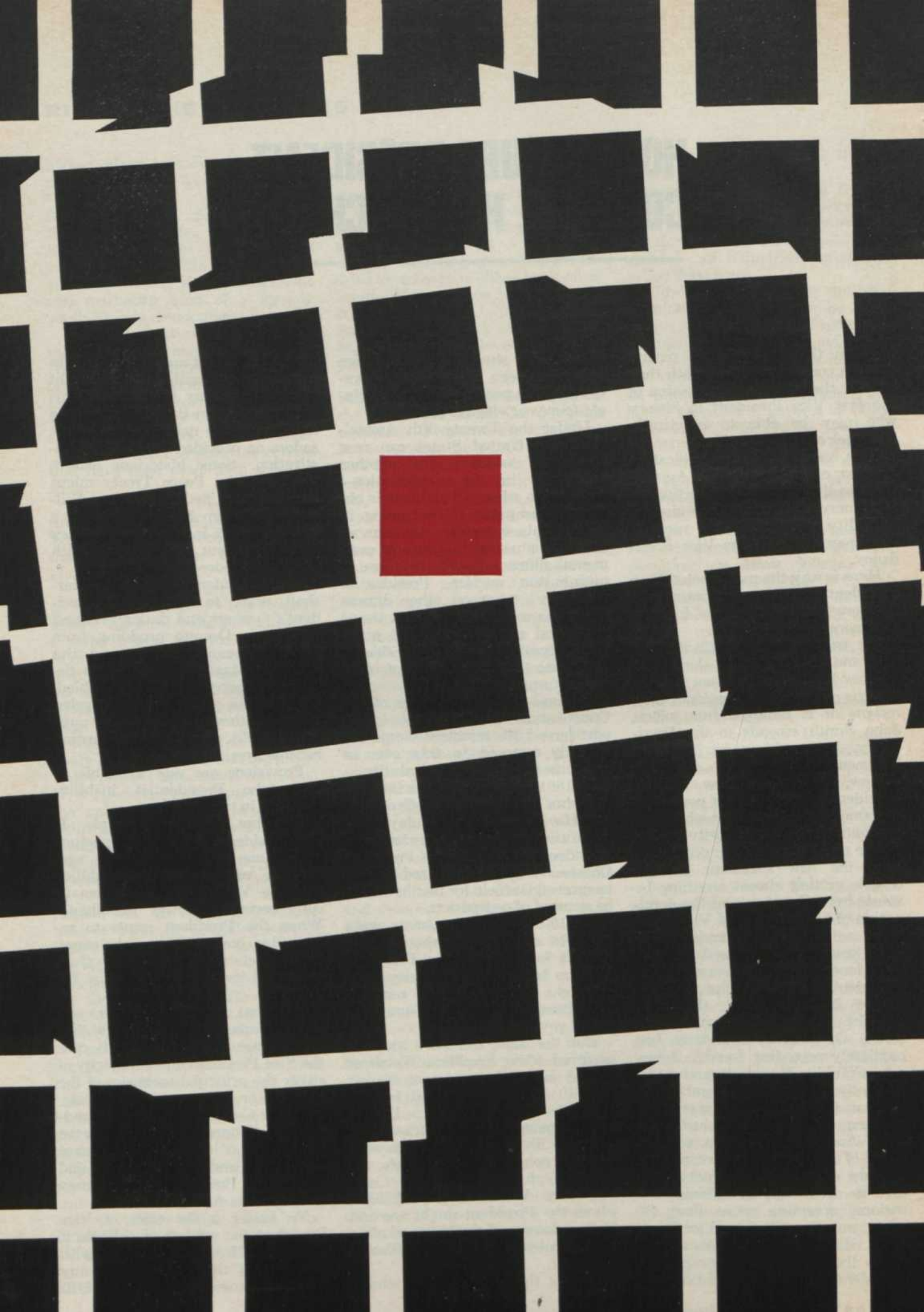
Vice President Thomas R. Marshall, urged to take on the President's “powers and duties,” refused to do so. Despite prodding from White House advisers and the Cabinet, Marshall declined to declare Woodrow Wilson disabled. And so the government struggled along without leadership until March, 1921, when Warren Harding became President.

Provisions are now available to solve the Presidential inability question in two ways.

The first of these is simple. If the President becomes incapacitated because of illness or other reasons he can declare his inability and the Vice President automatically becomes “Acting President.” When the President wants to resume his powers he merely transmits a declaration of ability to Congress and immediately resumes his office.

But what of a President who will not or cannot indicate his ability to continue in office? In this case the Vice President and a majority of either the principal members of the Cabinet or of some group designated by Congress notifies the leaders of the House and Senate that the President no longer can discharge the powers and duties of office and the Vice President immediately takes over as Acting President.

No longer is the office of Vice President the subject of ridicule it once was. He now is selected with the thought that he could at any moment become President. **END**



THE PROBLEMS FACING YOUR COMMUNITY CAN BE RESOLVED

Whatever problems your community may be up against, those problems can be resolved.

We're not trying to tell you that we think we know all the answers.

But we would like to call your attention to the fact that the National Chamber's MOBILIZING TOTAL COMMUNITY RESOURCES program is a tested method for bringing together individuals and groups of different interests in your community to do these things:

1. To identify mutual objectives;
2. To define obstacles blocking achievement of the objectives;
3. To examine the available alternatives for solving the problems;
4. To establish priorities; and,
5. To take action.

GUIDELINES

The whole process is spelled out in our loose-leaf, how-to-do-it manual, "Guidelines for Mobilizing Total Community Resources."

This manual is an exciting document to read, a rewarding document to put to use. It is based on experience. It is a well-thought-through plan of attack that works.

HOW TO DO IT

This manual shows in detail:

1. How to Get the Problem-Solving Process Started
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3. How to Plan, Organize and Schedule the Work
4. How to Get a Public Consensus on Goals
5. How to Study Alternative Solutions
6. How to Decide Priorities
7. How to Apply Solutions
8. How to Measure Progress

SEND FOR A COPY

All it takes to initiate the process, and to set it into motion, in your community is one man, the right man—a man who is a leader, and who wants to make his community a better place in which to live.

The price of "Guidelines for Mobilizing Total Community Resources" is \$2 a copy.

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BUSINESS: A LOOK AHEAD

Refrigeration a hot prospect

(Foreign trade)

Undersea boom

(Manufacturing)

Wholesalers' view rosy

(Marketing)

AGRICULTURE

New process promises extra boost for frozen orange concentrates, may involve other citrus products, and yield extra payoff in clean water.

Much progress has been made in recovering flavor elements temporarily lost in making fruit preserves.

Stubborn problem remaining has been loss of flavor from citrus when extracting juice. New process consists of combining orange peels—left after juice extraction—with water, passing slurry through recovery unit.

Process recaptures volatile flavor elements and high-quality orange oil; both are restored to concentrate under method devised by researchers for Agriculture Department at Winter Haven, Fla., and Florida Citrus Commission.

Removal of oil from residue makes it easier to treat chemically for disposal, one problem in industry's efforts to reduce water pollution.

Agriculture spokesman speculates that process may be expanded to other citrus products.

CONSTRUCTION

Hint to communities looking for

money needed for community growth. If funds from Uncle Sam are not available, you can probably get them somewhere else.

In recent years, backlog of applications built up in federal agencies for loans and grants for vital public projects. Even communities able to borrow in private market faced political pressures to hold off until they got a Yes or No from Washington. Red tape could delay decisions for months, even years.

Now, effort spearheaded by Consulting Engineers Council has prompted federal agencies to give communities a quick answer, reducing backlog and freeing them to seek funds elsewhere.

No total figures are available, but CEC reports that at least half of communities whose applications were turned down managed to obtain private funds.

Funding presents some problems though. Federal Reserve study of state and local borrowings for capital outlays shows many government bodies, faced with higher interest rates, cancel or reduce planned borrowings.

William W. Sherrill, member of Fed's Board of Governors, suggested some solutions to problem before

Joint Economic Committee of Congress. (See Credit and Finance.)

CREDIT & FINANCE

How to enable state and local government to borrow for capital construction in tight financial market is matter of growing concern in Washington.

Recent suggestions by William W. Sherrill of Federal Reserve Board of Governors:

- More pay-as-you-go financing where possible, though admittedly difficult.
- Long-range programs to time borrowings with periods of economic slack and slow construction pace.
- Easing property tax limitations that force communities to borrow needlessly—and debt limitations that force them to postpone borrowing or resort to higher-cost revenue-bond financing. Same goes for state governments, whose debt limitations dump borrowing on smaller, less secure governmental subdivisions that must pay higher interest.
- Expanding state efforts to lend to smaller units, guarantee their borrowings, provide debt service grants and encourage consolidation or co-operation among local government units.

Fed also supports legislation to allow commercial banks to underwrite revenue bonds to increase market competition.

FOREIGN TRADE

Big overseas market awaits breakdown of prejudice there against consumption of food preserved by refrigeration.

R. L. Tyler, Sr., president of Tyler Refrigeration Division of Clark Equipment Co., notes that spoilage is big problem in underdeveloped countries where losses run up to 60 per cent.



Aerial application of seed and fertilizer to timberland helps increase yield to meet growing demand for forest products.

"In other words, no matter how much food is produced, a lot of it never gets into anyone's stomach."

Tyler Refrigeration which operates in 66 countries and had overseas sales of \$13 million last year, expects leadership of foreign governments to crack resistance to refrigeration.

Mr. Tyler cites Iran, where the government is sponsoring an 8,000 square foot refrigerated warehouse that could lead to use of such equipment throughout the country.

TRANSPORTATION

New legislation to control aircraft noise won't mean instant quiet.

Measure passed by Congress allows Federal Aviation Administrator to develop standards to reduce aircraft noise and sonic boom.

Airlines point out that government group working on noise problem has only recently faced fact that no standard exists to define acceptable noise levels.

These must be determined before technical effort can attack sources of noise, identify techniques needed to cure it and measure cost against benefits.

Air Transport Association cites lim-

ited progress to date in reducing aircraft noise but warns that staggering costs and years of research will be required to quiet plane engines.

Several years ago, noted sanitary engineer Abel Wolman declared that governmental regulatory authority to control water pollution already had outstripped technology. For time being, same goes for noise.

MANUFACTURING

At recent meeting of firms in marine technology, equipment manufacturers showed what they're doing to serve growing private underseas exploration and resource development.

Franklin Electric Co., Bluffton, Ind., which has furnished custom-built submersible motors, announced introduction of a new line of standardized catalog motors for underseas use.

Franklin President Conrad J. Balentine told NATION'S BUSINESS that big payoff is not expected for next couple of years, but motors should find good market for operating valves on offshore oil lines. Several corporations have contacted Franklin, he said, expressing interest in propulsion motors for research submarines, some of them two or three-man size.

Shortly after, Westinghouse announced it's building a research vessel to probe depths of 20,000 feet.

MARKETING

Wholesalers expect big gains in volume this year, with sales of \$2.8 billion for increase of six per cent over last year.

Increases of eight per cent are forecast in both automotive equipment and tires and in general line groceries, and 11 per cent in category of apparel, accessories and footwear.

National Association of Wholesalers notes that economy has gone beyond "era of production" into "era of distribution," and predicts that most of increased job opportunities will lie in distribution and service segment of economy.

Association has set up Distribution Research and Education Foundation, which in turn set up distribution research center at Ohio State University, in effort to expand wholesaling approach and improve management and operations.

NATURAL RESOURCES

Timber industry expects greatly increased yields from multiple approach to timber development.

For one, Weyerhaeuser Co., world's largest timber owner, combines aerial reseeding and fertilization of growing trees, five-year thinning cycle, applied genetics to produce highest-yield trees and improved mechanization for harvesting and fiber recovery.

Company is adding 120,000 acres of timberlands this year to 80,000 placed earlier under four-part, high-yield program.

Weyerhaeuser cites United Nations estimates that world-wide timber demand will increase over 1960 levels by 42 per cent through 1975.

MAKING AN HONEST BUCK

Big study shows most businessmen believe good ethics is good business

How ethical are you?

To get a valid answer, the author of this article conducted a broad, intensive survey of the American business community. He held personal interviews with more than 100 businessmen. He persuaded 1,612 others to complete lengthy questionnaires about business ethics.

To encourage candor and accuracy, the questionnaires were left unsigned and none of the men interviewed were identified by name. Thus, any temptation to paint a flattering self-portrait presumably was removed.

The findings: Businessmen are far more ethical than the public—and students, in particular—credit them for.

Do you agree?

Ours is a business-centered society. No group in America is more influential than businessmen. Their influence, for good or evil, enters every life and every home many times each day. If this influence is good, the nation is strengthened; if it is evil, the nation is weakened.

In this age of international commerce, the decisions of American businessmen also influence persons outside our borders. Many regard the corporation as the characteristic institution of our society. As Henry Ford II observed: "Around the world we are often described as a corporate society. If that is so, and if it is judged that the corporations are corrupt, then it will be assumed that the society itself is corrupt."

In view of the importance of ethical business behavior, it is not surprising that books and articles have

been written about the subject. But virtually no one has bothered to ask businessmen what they think about ethics in business. So I asked them, in three research projects.

More than 1,800 businessmen replied, 1,612 completing lengthy questionnaires and the rest giving information in interviews.

Here are some of the highlights of my findings:

- The popular image of businessmen's ethics, especially that held by students, seems prejudiced; it probably gives insufficient weight to the many responsible decisions made by managers.
- Businessmen believe that good ethics is good business in the long run, especially in employee and customer relations.
- Most businessmen think that they have the same ethical standards at home and at work but that it is more difficult to live by these standards at work because of the pressures of competition.
- In many cases, a company is "the lengthened shadow of one man," the chief executive, whose values most subordinates eventually accept.

• Although formal education usually makes a person more sensitive and articulate about ethical issues, it influences his business decisions much less than does the personal conviction that he should act ethically, which is typically developed before adolescence, chiefly through parental influence.

How the public sees him

People tend to think in images. The popular image of the businessman includes the notion that he is relatively unethical. For instance, the most frequent rejoinder to the statement that one is engaged in research about the ethics of businessmen is:

"Do they have any?"

In a supplementary study of 99 nonbusinessmen, I discovered noteworthy skepticism about the businessman's integrity. For example 65 per cent of these nonbusinessmen said that they would not use confidential information for personal financial gain to the detriment of others who have no access to the information; but only eight per cent thought that the average businessman would resist the same temptation. A survey made by Louis Harris and Associates, based on 2,000 interviews, revealed that 42 per cent felt that "most businessmen will do anything, honest or not, for a buck," and 77 per cent regarded business as a "dog eat dog proposition."

What are the sources of the popular image of the businessman? Personal experience of course, but also communications media, novels, plays, movies, and political speeches. News is an important category for television, radio, daily papers and weekly magazines.

What is news?

The unusual, the atypical, the unexpected.

Wrong-doing is usually news. One businessman who absconds with \$10,000 gets more news coverage in a single day than 10,000 businessmen who are scrupulously honest all their lives.

This is not to deny the important role of the press in calling attention to the shortcomings of business and in arousing the popular conscience to bring pressure to correct that wrongdoing.

However, the fact remains that good news is no news most of the time.

While the average adult's opinion of the American businessman's ethics is not flattering, the student's is

This article is condensed from the book, "An Honest Profit," to be published this month by Holt, Rinehart and Winston, New York, copyright © 1968 by Raymond Baumhart, S. J. The author is executive vice president, Loyola University of Chicago.

There are some people around
who want to spoil woman's
greatest indoor sport.



Shopping

It's hard to believe, but there are some fairly influential people around today who think the government ought to do your shopping for you.

It seems they think you're overwhelmed by all those different brands of soap . . . and all those cake mixes like Pineapple Supreme, Swiss Chocolate and Angel Food. Or, maybe just not bright enough to make up your mind.

So, they want the government to restrict the number of brands on the supermarket shelf . . . and standardize their

contents under grade labels . . . Grade A, Grade B and so on. They figure that would make shopping easier for you.

Of course, if all that happens, you may never make something like Black Forest Torte or Venetian Roll.

Because what manufacturer is going to knock himself out to create new and better products if he can't use them to compete with? Restrictions don't stimulate competition. They tend to make all products the same. And that's not the way this country got prosperous.

MAKING AN HONEST BUCK *continued*

even less favorable. This is significant because many students choose their lifetime occupation largely on the basis of the image they have formed of it.

The students' view

In an opinion panel conducted by Purdue University, one-quarter of the participating teen-agers agreed that "most business concerns are out to make all the money they can, no matter who gets hurt."

At Dartmouth, Boston College and Loyola University, 156 students completed part of the same questionnaire that was also answered for me by 1,512 businessmen. The pattern of the replies was unmistakable. These collegians have a low opinion of the ethical practices and standards of businessmen.

To cite a representative example: For a salesman who earns \$10,000 a year to pad his expense account by \$500 was regarded as unacceptable behavior by 85 per cent of our 1,512 businessmen respondents. But only 17 per cent of the students thought that the typical businessman would regard such padding as wrong.

There are observers who insist that no ethical good can come from the business world. One well-known professor of business administration claims that after observing managerial decision-making for many years and after many discussions with executives about their decisions, he has never known a business decision which could not be explained in terms either of profit or of personal gain for the decision-maker.

As he really is

I wanted to test this view, and since decisions which require personal sacrifice are more meaningful ethically than those which cost nothing, I asked 100 interviewees:

"Please try to recall a business decision which you made for ethical reasons despite your belief, at the time, that it would be less profitable for your company or for yourself than would an alternative decision. In other words, can you recall an occasion when you chose ethical behavior in preference to financial gain, or when you acted on moral principle even though you felt that your action would be criticized or might endanger your job?"

Eighty-four men gave illustrations of decisions which they say

were made on principle. Nine per cent gave no answer to the query. Seven per cent preferred to speak in general, rather than specific terms.

Let us look at several actions they cited whose motivation is as unambiguous as human behavior can be. These decisions were made despite the probability that they would prove costly to a company or an individual.

The board chairman of a large utility cited this example, adding some strong views about those who regard all businessmen as crooks:

"To say that businessmen never make ethical decisions unless they are also financially profitable is preposterous cynicism. I'm on the board of five other companies, and I never buy or sell stock in those companies on the basis of secret information which I obtain in board meetings. The same thing is true here. I own stock and buy some regularly, but I always buy in accordance with the employee purchase plan, twice a year. I never buy or sell on the basis of knowledge which I have as chairman."

Here are other illustrations which afford an idea of the variety of businessmen's temptations, as well as proof of the admirable character of some managers.

From the president of a transport company:

"Last year I gave up a lease on a multimillion-dollar facility. I sublet the facility to a group of workers for exactly what it was costing me. I was approached by an outfit I know is gangster-dominated, and they offered me a flat \$50,000 more to give them the same deal I was giving the workers. I refused. Why? I won't have any truck with gangsters."

"I intend to keep my name free from blemish. I've long been associated with the area and I think that the workers' group will serve it better than that other outfit."

The only way to operate

Having described, analyzed, and categorized some business decisions, I tried to find out which are the most constant factors leading to ethical decisions by businessmen.

First let me focus on a belief of businessmen about business. It unquestionably affects decisions and appears in many speeches by executives: "Good ethics is good business."

What does it mean? How many

businessmen support it? Why do businessmen like to repeat it?

Respondents were asked for an opinion on the statement, "Sound ethics is good business in the long run."

Agreement was the nearly unanimous response: 98 per cent agreed, one per cent neutral, one per cent disagreed.

In the interviews, in order to begin the conversation with a question which respondents would find agreeable, they were asked: "Do you agree that good ethics is good business in the long run?" Only one per cent disagreed.

A second query was then added: "Would you mind telling me why you think this is so?"

A president in a service industry was an eloquent spokesman for the dollars-and-cents value of moral behavior:

"The ethical way is the only way to operate. When you do unethical things, it turns out to be expensive. For one thing, after you do something wrong, you worry; this is subjective, but it is important. It takes time and energy to worry, and that makes it expensive . . . The most important motive for my acting ethically in business is, I'm afraid, the practical one: Trying to be a masculine male, not doing right just in order to be right. . . . When I talk to our young men, I don't tell them to be ethical for the sake of ethics. I tell them that ethical behavior is the way to promotion and success."

Why do businessmen like to find practical reasons for doing unselfish acts?

Part of the answer is found in the image of the successful businessman held by many managers. The image is that of an "economic man" whose ultimate norm in every decision is profit maximization.

After describing in detail a decision he had made because he felt "a moral responsibility to our employees," one of our respondents added:

"Under ordinary circumstances . . . I might not admit this sense of responsibility for employees. We businessmen are embarrassed to say that we have any other motive for a business decision than profit. That's probably because of some image of the businessman that we all have."

Through the questionnaire, answered by 1,512 businessmen, we learned that businessmen rank "personal code of behavior" as a most

important reason for their ethical decisions.

Conscience was the concept most frequently mentioned. More than one third spoke directly about conscience, many using the phrase, "I have to live with myself."

Why do they act ethically?

Acting against one's own conscience was a central issue in another part of my research. Each interviewee was given a card containing this statement:

"The first responsibility of a businessman is to keep his business solvent, for if his business is bankrupt it will no longer provide a living for himself and jobs for others. Therefore, it is ethical for a businessman, in time of financial distress or severe competition, to make decisions directly opposed to those which his conscience dictates. Do you agree or disagree?"

Eleven managers agreed, 87 disagreed, and two declined to answer.

Among the majority who disagreed, one quarter were strong in their conviction that acting against one's conscience is wrong:

"It's better to be financially bankrupt than to be ethically bankrupt."

"If this statement is so, we are a lost society."

Several interviewees asked for an example of conduct like that described on the card. Each was told a true story of a small company whose top management acted on the belief that staying in business justified, temporarily at least, lying to customers about merchandise and billing a supplier for advertising that was never done. Most reactions were unfavorable:

"That's like taking the first pipeful of opium."

"Are they still in business?"

Opposition to solvency as the primary responsibility of the businessman was emphatic on the part of several:

"I disagree. His first responsibility is to himself, to keep his principles unblemished. That's a hell of a lot more important than staying solvent."

"If you agree with that statement, you make solvency the norm of conduct and I see no sense in that."

Profit—an end in itself?

There is disagreement about the primary responsibility and basic purpose of a business corporation. But there is a consensus that the businessman has broader horizons than making profits. We asked if they agreed or disagreed with this statement:

"The businessman exists for only one purpose: To create and deliver value satisfactions at a profit to himself. If what is offered can be sold at a profit, then it is legitimate. The spiritual and moral consequences of the businessman's actions are none of his concern."

From top to bottom of the corporate ladder, 94 per cent of our respondents said, "We disagree!" As one personnel man put it, "This man lives in a vacuum, ignoring the society that gave him his opportunity, his responsibility to make it better rather than worse as a result of his existence."

Our respondents also revealed that they regard untempered profit maximization as unethical. Five of

every six managers reacted affirmatively to this statement:

"For corporation executives to act in the interest of shareholders alone, and not also in the interest of employees and consumers, is unethical."

A production manager from Texas voiced a viewpoint to which many subscribe: "The aim of the corporation should not be profit maximization but rather a performance of excellence."

The roots of behavior

How important is ethics to businessmen? Probably the best answer is: No more or less important than it is to the average American. The main reason for the similarity of attitudes is that both the conviction of the importance of ethical behavior and much of the knowledge about ethics ordinarily are acquired before a person enters the business world.

After a man begins to work, it takes an unusual occurrence to change his mind about the relevance of ethics, or to prompt him to increase his knowledge about it.

The improvement of business ethics is a goal with which few persons will find fault. Our survey respondents strongly favored it.

But basically, though improvement can be aided and hastened by external means like voluntary codes of ethics and governmental agencies, business behavior must be improved from within, man by man. A businessman is a man before he is a manager, and the more ethical, reasonable and human he is, the better man and manager he will be.

END

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WHAT'S ESSENTIAL?

Now that the budget must be trimmed by \$6 billion, the bureaucrats are agonizing over the task.

Scrutinizing our vast federal budget is no easy chore. In fact, if you spent one hour considering whether each \$1 million in the budget is essential or nonessential, it would take you from now until the end of 1989.

When you consider how far afield the spending programs have gone, you wonder if Washington shouldn't concentrate on such traditional and vital functions of government as preserving domestic tranquility and keeping money stable.

While spending so freely on nonessentials, Washington seems to have botched the essentials.



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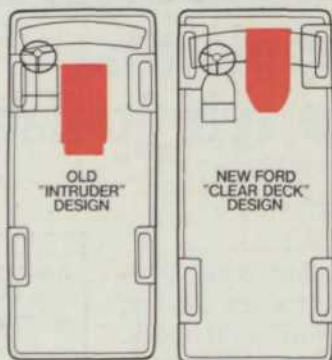


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Moving the engine forward started a whole chain of better ideas! Loadspace became greater than any other van. So did payload (it goes as high as 3540 lbs.). Next came Twin-I-Beam ride and stability! A new V-8! New driver and servicing convenience! Your Ford Dealer has it: the *better* idea in vans, all-new Econolines!



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New! Outside service center. Just lift hood to check oil, water, battery, voltage regulator, brake master cylinder and more. Everything easy to reach.



New! "Driver walk-thru." New engine location gives driver easy access to rear load area. Engines include two economy Sixes and a big new 302 cu. in. V-8.

FORD ECONOLINE VANS



Ford ...has a better idea!